

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



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

Public Hearing

Audience publique

Commissioner

L'Honorable juge /
The Honourable Justice
Jeffrey James Oliphant

Commissaire

Held at:

Bytown Pavillion
Victoria Hall
111 Sussex Drive
Ottawa, Ontario

Tuesday, April 28, 2009

Tenue à :

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

le mardi 28 avril 2009

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1 Ottawa, Ontario / Ottawa (Ontario)
2 --- Upon resuming on Tuesday, April 28, 2009
3 at 9:35 a.m. / L'audience reprend le mardi
4 28 avril 2009 à 09 h 35
5 23049 COMMISSIONER OLIPHANT: Good morning.
6 Good morning, counsel. Be seated, please.
7 23050 Mr. Doucet, before Mr. Wolson
8 proceeds, I trust that you recall giving an oath
9 yesterday to tell the truth?
10 23051 MR. F. DOUCET: I do.
11 23052 COMMISSIONER OLIPHANT: All right.
12 You are still bound by that is today. Do you
13 understand that?
14 23053 MR. F. DOUCET: I do.
15 23054 COMMISSIONER OLIPHANT: Okay. Thank
16 you.
17 23055 Mr. Wolson, good morning.
18 PREVIOUSLY SWORN: FRED DOUCET
19 SOUS LA MÊME SERMENT : FRED DOUCET
20 EXAMINATION: FRED DOUCET BY MR. WOLSON (cont'd) /
21 INTERROGATOIRE : FRED DOUCET PAR Me WOLSON (suite)
22 23056 MR. WOLSON: Good morning,
23 Mr. Doucet.
24 23057 MR. F. DOUCET: Good morning.
25 23058 MR. WOLSON: We had talked yesterday

1 about the \$90,000 that you were paid on -- you invoiced
2 on November 2, 1988 and you were paid November 15,
3 1988.

4 23059 Do you recall that?

5 23060 MR. F. DOUCET: Correct.

6 23061 MR. WOLSON: You recall we discussed
7 it.

8 23062 MR. F. DOUCET: Right.

9 23063 MR. WOLSON: You don't recall
10 invoicing and you don't recall receiving the cheque.

11 23064 MR. F. DOUCET: I do not.

12 23065 MR. WOLSON: Okay. If you would go
13 to Book 2, Tab 1 --

14 23066 MR. F. DOUCET: I'm there.

15 23067 MR. WOLSON: You have November 1st?

16 23068 MR. F. DOUCET: I'm there.

17 23069 MR. WOLSON: If you would look at the
18 bottom of the page, left-hand side, November 1.

19 23070 MR. F. DOUCET: Correct.

20 23071 MR. WOLSON: This is November 1, '88,
21 the day before you actually invoice -- to put it in
22 perspective, the day before you invoice Bitucan for
23 \$90,000.

24 23072 MR. F. DOUCET: Correct.

25 23073 MR. WOLSON: At the bottom of the

1 page you have 12 times 7,500 --

2 23074 MR. F. DOUCET: Correct.

3 23075 MR. WOLSON: -- equals \$90,000.

4 23076 MR. F. DOUCET: Correct.

5 23077 MR. WOLSON: That would seem to

6 indicate that you are doing some math that adds up to

7 90,000.

8 23078 MR. F. DOUCET: It would seem to

9 indicate that, yes.

10 23079 MR. WOLSON: The day before you

11 invoiced Mr. Schreiber for \$90,000.

12 23080 MR. F. DOUCET: Correct.

13 23081 MR. WOLSON: Does that help refresh

14 your memory?

15 23082 MR. F. DOUCET: Not -- no, it does

16 not.

17 23083 MR. WOLSON: Do you remember trying

18 to determine 7,500 times 12? Do you remember that?

19 23084 MR. F. DOUCET: I do not. I have no

20 memory of the 75 as a unit of measure of any kind.

21 23085 MR. WOLSON: I see. So this

22 document, your own diary of November 1, '88, is of no

23 assistance to you?

24 23086 MR. F. DOUCET: No.

25 23087 MR. WOLSON: I asked you this

1 yesterday but I can only imagine -- I have never worked
2 for government but I would imagine that salaries from
3 the government for the kind of work you were doing
4 might be -- I don't make light of it because it would
5 be a handsome sum of money.

6 23088 MR. F. DOUCET: Correct.

7 23089 MR. WOLSON: But in the low hundred
8 thousand?

9 23090 MR. F. DOUCET: I'm sorry, in the...?

10 23091 MR. WOLSON: In the low hundred
11 thousand, \$125,000 or \$130,000 is ballpark what
12 somebody in your position would have earned?

13 23092 MR. F. DOUCET: Yes. It changed --

14 23093 MR. WOLSON: I don't need to know the
15 exact amount, but --

16 23094 MR. F. DOUCET: It changed -- it
17 changed over the time that I was there.

18 23095 MR. WOLSON: Yes.

19 23096 MR. F. DOUCET: But my best
20 recollection when I started was that it was much under
21 \$100,000.

22 23097 MR. WOLSON: So that \$90,000,
23 November 2, 1988, would be a very sizable amount of
24 money to you?

25 23098 MR. F. DOUCET: Correct.

1 23099 MR. WOLSON: You were starting in
2 private practice; right?

3 23100 MR. F. DOUCET: Yes.

4 23101 MR. WOLSON: I'm sure, as we said
5 yesterday, you wouldn't have been with an abundance of
6 clientele right off the bat. You would be starting.

7 23102 MR. F. DOUCET: No, but I did develop
8 a sizable clientele over time. I don't know how many I
9 would have had the first couple of months, probably
10 around 15 maybe.

11 23103 MR. WOLSON: All right. So \$90,000
12 would be a large retainer?

13 23104 MR. F. DOUCET: There is no doubt.

14 23105 MR. WOLSON: Yes. All right.

15 23106 If you were charging \$7,500 a month,
16 if that calculation on that document November 1, 1988
17 is meant to indicate a monthly fee, your earnings from
18 Schreiber over the space of four or five years would be
19 quite significant?

20 23107 MR. F. DOUCET: Yes. As I say, the
21 7,500 just does not ring at all, but my best
22 recollection, trying to get to a number that I earned
23 from the Thyssen Bear Head account, would be
24 considerably below that over the four or five year
25 period.

1 23108 MR. WOLSON: Considerably below
2 \$7,500 a month?

3 23109 MR. F. DOUCET: Correct, yes.

4 23110 MR. WOLSON: More in the range of
5 what you told me in your statement of \$5,000 a month?

6 23111 MR. F. DOUCET: Correct, yes.

7 23112 MR. WOLSON: All right.
8 23113 Tab 44, Book 1, please.

9 23114 MR. F. DOUCET: Yes, I'm there.

10 23115 MR. WOLSON: You told the
11 Commissioner yesterday that in your dealings with
12 Mr. Schreiber there was certainly a cooling off period
13 after 1994. Other than speaking to him about the LOR,
14 letter of request, you may have spoken to him the odd
15 time but you certainly had not seen him.

16 23116 MR. F. DOUCET: I don't recall that I
17 did, no.

18 23117 MR. WOLSON: And you do see him. You
19 invite him to your house --

20 23118 MR. F. DOUCET: Correct.

21 23119 MR. WOLSON: -- in 1999, December
22 26th.

23 23120 MR. F. DOUCET: That is correct.

24 23121 MR. WOLSON: What are the
25 circumstances of you inviting Mr. Schreiber -- I think

1 you had his wife as well.

2 23122 MR. F. DOUCET: Correct.

3 23123 MR. WOLSON: What are the

4 circumstances as to how that occurred? Do you recall?

5 23124 MR. F. DOUCET: As best I recall,

6 someone called me. I think, and I thought, that it was

7 Elmer MacKay. But I vividly recall a telephone call

8 suggesting that it might be a kind gesture on my part

9 if I were to -- if my wife and I were to invite Mr. and

10 Mrs. Schreiber to our house.

11 23125 That was perfectly fine with me and

12 my wife and we did that.

13 23126 MR. WOLSON: Was it Elmer MacKay?

14 23127 MR. F. DOUCET: That's my

15 recollection.

16 23128 MR. WOLSON: Why do you hesitate in

17 that regard? Is it because you are aware that Mr.

18 MacKay says that that didn't happen?

19 23129 MR. F. DOUCET: Correct, yes.

20 23130 MR. WOLSON: So your best recall is

21 it was Elmer MacKay?

22 23131 MR. F. DOUCET: That's my best

23 recall.

24 23132 MR. WOLSON: Your only hesitation now

25 is that MacKay said that didn't occur.

1 23133 MR. F. DOUCET: That's correct.

2 23134 MR. WOLSON: I see. Who else would
3 have called?

4 23135 MR. F. DOUCET: Obviously someone
5 from out of town, I would expect. It may have been
6 Mr. Moores. I don't know.

7 23136 MR. WOLSON: All right.

8 23137 MR. F. DOUCET: I thought it was and
9 I still think it was Mr. MacKay, but maybe my memory is
10 faulty.

11 23138 MR. WOLSON: Was it your intention to
12 speak privately with Mr. Schreiber about matters that
13 were of importance, such as issues of mandate with he
14 and Mr. Mulroney, matters that were of importance to
15 Mr. Mulroney?

16 23139 Was this your intent on raising these
17 issues with him on the 26th of December 1999?

18 23140 MR. F. DOUCET: I don't particularly
19 recall that I had a definitive agenda. I certainly
20 felt that we had things to talk about, both from the
21 perspective of him having been a valued client and from
22 the perspective of Mr. Mulroney being a lifelong
23 friend.

24 23141 MR. WOLSON: Did you discuss inviting
25 him to your residence with Mr. Mulroney before you did

1 that?

2 23142 MR. F. DOUCET: I do not believe so.
3 I have no recollection of that.

4 23143 MR. WOLSON: You are not saying you
5 didn't speak to him about it; you are saying you don't
6 recall?

7 23144 MR. F. DOUCET: That's correct.

8 23145 MR. WOLSON: You don't recall one way
9 or the other?

10 23146 MR. F. DOUCET: I do not recall one
11 way or the other.

12 23147 MR. WOLSON: Now, you have your notes
13 which were made, or at least the date of your notes,
14 December 26, 1999, 2 to 5 PM.

15 23148 That's found at Tab 44, Book 1;
16 right?

17 23149 MR. F. DOUCET: I have that, yes.

18 23150 MR. WOLSON: Again with regard to
19 these notes, it's the same kind of scenario. You made
20 handwritten notes which were later typed by your wife?

21 23151 MR. F. DOUCET: Correct.

22 23152 MR. WOLSON: I'm a little baffled by
23 this. You purposely have stayed away from Schreiber in
24 that certainly after the October date where you
25 thought, you told the Commissioner yesterday, that

1 Mr. Schreiber had been speaking to the media, Fifth
2 Estate in particular, likely off-camera, likely giving
3 them information which you are upset about.

4 23153 MR. F. DOUCET: Correct.

5 23154 MR. WOLSON: But here you are
6 inviting him to your house.

7 23155 MR. F. DOUCET: Correct.

8 23156 MR. WOLSON: Obviously you wanted to
9 talk to him about your concerns?

10 23157 MR. F. DOUCET: Certainly one of the
11 things that I recall telling him is that I thought that
12 his leaking to the media was not something that I would
13 have advocated to him; that it would probably get him
14 in trouble and others as well.

15 23158 MR. WOLSON: You had not seen the man
16 for five years, 1994 Pierre Hotel; right?

17 23159 MR. F. DOUCET: Correct.

18 23160 MR. WOLSON: You invited him to the
19 house on the basis of a social visit.

20 23161 MR. F. DOUCET: Correct.

21 23162 MR. WOLSON: How long was he at your
22 house for, he and his wife?

23 23163 MR. F. DOUCET: As best I recall,
24 probably from about 2:00 until 5:00.

25 23164 MR. WOLSON: Now, you also knew that

1 Mr. Mulroney -- let me ask you to turn up Tab 41 of
2 Book 1, please.

3 23165 MR. F. DOUCET: Yes, I'm there.

4 23166 MR. WOLSON: This is a newspaper
5 article by Philip Mathias, National Post, August 20,
6 1999.

7 23167 MR. F. DOUCET: Correct.

8 23168 MR. WOLSON: Some months in advance
9 of when you invited Mr. Schreiber to your house?

10 23169 MR. F. DOUCET: Correct.

11 23170 MR. WOLSON: In the article, it says
12 at the bottom of the first page, or halfway through the
13 first page:

14 "Brian Mulroney, the former
15 prime minister, has stepped up
16 efforts to persuade Karlheinz
17 Schreiber -- the man at the
18 centre of the Airbus affair --
19 to release his confidential
20 Swiss bank accounts to the
21 Canadian government so the
22 matter can finally be put to
23 rest."

24 23171 Do you see that?

25 23172 MR. F. DOUCET: I do.

1 23173 MR. WOLSON: You knew -- and I will
2 get to that in a moment -- that Mr. Mulroney wanting to
3 dispel any allegations involving Airbus was trying to
4 get Mr. Schreiber to release bank records which would
5 vindicate Mr. Mulroney.

6 23174 You are aware of that because if you
7 look further on down the page:

8 "This week, Mr. Mulroney
9 telephoned his former chief of
10 staff..."

11 23175 Third paragraph from the bottom:

12 "... Fred Doucet, from South
13 Africa, where the former prime
14 minister is vacationing with his
15 family, and asked him to
16 organize another approach to Mr.
17 Schreiber.

18 Mr. Doucet persuaded a former
19 cabinet minister in Mr.
20 Mulroney's government, a man who
21 knew Mr. Schreiber, to telephone
22 him on Mr. Mulroney's behalf and
23 ask that the documents be
24 released.

25 Over the last three years, Mr.

1 Mulroney has interceded with Mr.
2 Schreiber several times, both
3 directly in telephone calls, and
4 through intermediaries."

5 23176 So it is clear that Mr. Mulroney
6 wanted to have the bank documents released. He felt
7 the bank documents would vindicate him of any of these
8 vicious rumours and allegations, and he had asked you
9 to help and get -- try to persuade Schreiber to release
10 bank documents.

11 23177 Is that in accord with your recall?

12 23178 MR. F. DOUCET: I recall receiving a
13 telephone call from Mr. Mulroney from South Africa that
14 made an impression on me, that I recall. What we spoke
15 about, I have absolutely no recall.

16 23179 MR. WOLSON: You didn't know that he
17 wanted Mr. Schreiber to release documents that would be
18 important to his being vindicated by these rumours
19 which were circulating in the media?

20 23180 You must have known that.

21 23181 MR. F. DOUCET: I know it now. I
22 have no recollection that I knew that then.

23 23182 MR. WOLSON: All right.

24 23183 I suppose the point that I am asking
25 you about, and I will ask you directly: When you

1 invited Mr. Schreiber to your residence on the 26th of
2 December 1999, did you ask him -- were you interested
3 in trying to persuade him to release his bank documents
4 so that your good friend Mr. Mulroney could be in a
5 position where he may be able to defend himself against
6 these rumours?

7 23184 MR. F. DOUCET: I made notes on my
8 meeting. What is in my notes I take to be exactly what
9 was said to me. As to anything else, I have no recall.

10 23185 I made those notes moments after he
11 left, and I take them to be exactly what was discussed
12 when we were together.

13 23186 MR. WOLSON: There is nothing in your
14 notes about bank documents.

15 23187 MR. F. DOUCET: That's correct.

16 23188 MR. WOLSON: Does that mean they
17 weren't discussed?

18 23189 MR. F. DOUCET: I have no
19 recollection of discussing them at all.

20 23190 MR. WOLSON: When did you write these
21 notes?

22 23191 MR. F. DOUCET: I would say ten
23 minutes after Mr. and Mrs. Schreiber left.

24 23192 MR. WOLSON: Were the comments that
25 you have noted in your notes -- and you have one page

1 of typewritten notes --

2 23193 MR. F. DOUCET: Could you bring me
3 back to that?

4 23194 MR. WOLSON: Sorry, I apologize.
5 It's Tab 44.

6 23195 MR. F. DOUCET: Yes, I'm there.

7 23196 MR. WOLSON: There are five pages of
8 handwritten notes, actually 4-1/2 pages of -- I'm
9 sorry, 4-1/2 pages of handwritten notes.

10 23197 Do you see those?

11 23198 MR. F. DOUCET: Yes, I do.

12 23199 MR. WOLSON: Reduced to one page of
13 typewritten notes.

14 23200 MR. F. DOUCET: Correct.

15 23201 MR. WOLSON: I'm not challenging the
16 accuracy of the typing versus the handwritten. What I
17 want to ask you is the matters that you have in your
18 notes, are they matters that arose as between you and
19 Mr. Schreiber when you were together privately away
20 from your spouses?

21 23202 MR. F. DOUCET: Correct.

22 23203 MR. WOLSON: So it's not as if what
23 you have written down was conversation over a
24 three-hour period between the four of you?

25 23204 MR. F. DOUCET: That is correct.

1 23205 MR. WOLSON: How much time or tell
2 the Commissioner the scenario, if you will, please, of
3 when you spent some private time with Mr. Schreiber on
4 the 26th of December 1999.

5 23206 What are the circumstances? Where
6 was it? How long was it?

7 23207 MR. F. DOUCET: Okay. As I recall,
8 they arrived around 2 o'clock. I also recall that they
9 took in flowers, which was impressive to my wife and
10 me.

11 23208 We began a conversation in the living
12 room. My best estimate is probably for a half hour
13 when we were all together, and then I said to
14 Mr. Schreiber come and see my recreational room
15 downstairs, or words to that effect.

16 23209 I did want to have a private
17 conversation with him.

18 23210 We went downstairs. My best estimate
19 is that we were there for maybe an hour, 45 minutes to
20 an hour. I know that it was a long period of time
21 because I recall my wife coming down, coming downstairs
22 to tell me that I wasn't being very social, that we had
23 left the social environment and moved downstairs.

24 23211 So shortly after that we went back up
25 and I think, as best I can recall, they left around

1 late in the afternoon, probably around 5:00.

2 23212 MR. WOLSON: So you have a
3 conversation with Mr. Schreiber for about 45 minutes to
4 an hour, privately?

5 23213 MR. F. DOUCET: That's my best
6 estimate.

7 23214 MR. WOLSON: And you have reduced
8 that 45 minutes to an hour to 4-1/2 handwritten pages.

9 23215 MR. F. DOUCET: Correct.

10 23216 MR. WOLSON: Which were later typed?

11 23217 MR. F. DOUCET: Correct.

12 23218 MR. WOLSON: Did you raise with him
13 the issue of him talking to the media, as you have just
14 told the Commissioner about?

15 23219 That's what you wanted to do. Did
16 you do that?

17 23220 MR. F. DOUCET: I would have to refer
18 to my notes.

19 23221 MR. WOLSON: It's not in there.

20 23222 MR. F. DOUCET: It was either at that
21 meeting or the meeting that followed, the one in the
22 Royal York.

23 23223 MR. WOLSON: January 11, 2000.

24 23224 MR. F. DOUCET: Correct.

25 23225 MR. WOLSON: All right. We will get

1 to those.

2 23226 It's interesting that when you wrote
3 your notes you were able to write them in fairly full
4 sentences.

5 23227 MR. F. DOUCET: Yes.

6 23228 MR. WOLSON: I'm assuming you don't
7 have a photographic memory on short-term matters?

8 23229 MR. F. DOUCET: I certainly don't
9 now.

10 23230 MR. WOLSON: Well, this is 1999. I'm
11 assuming you didn't then either.

12 23231 MR. F. DOUCET: I think that is
13 probably a right assumption.

14 23232 MR. WOLSON: You start off -- or the
15 notes are done in sort of paragraph form, and there are
16 seven or eight -- there is actually nine separate
17 paragraphs.

18 23233 MR. F. DOUCET: Yes.

19 23234 MR. WOLSON: The first paragraph is
20 headed "Luc Lavoie".

21 23235 MR. F. DOUCET: Correct.

22 23236 MR. WOLSON: And there is a
23 discussion for a couple of lines about obviously the
24 comments Mr. Lavoie made on the October '99 session of
25 Fifth Estate.

1 23237 MR. F. DOUCET: Correct.

2 23238 MR. WOLSON: Where he had made some
3 derogatory remarks about Mr. Schreiber.

4 23239 MR. F. DOUCET: That is correct.

5 23240 MR. WOLSON: He called him a liar.

6 23241 MR. F. DOUCET: Yes.

7 23242 MR. WOLSON: With an expletive before
8 it.

9 23243 MR. F. DOUCET: Yes.

10 23244 MR. WOLSON: Then you talked in the
11 same paragraph about Kaplan.

12 23245 MR. F. DOUCET: Yes.

13 23246 Well, I didn't -- he spoke about
14 Kaplan.

15 23247 MR. WOLSON: And the book he was
16 talking about was the first book, not his second book?

17 23248 MR. F. DOUCET: I don't recall that.

18 23249 MR. WOLSON: Well, this is 1999. The
19 second book isn't until much later.

20 23250 MR. F. DOUCET: Correct. Okay.

21 23251 MR. WOLSON: And you wrote down "And
22 we each know", then the subject changed to Airbus, in
23 the first paragraph.

24 23252 MR. F. DOUCET: Yes.

25 23253 MR. WOLSON: Words to the effect:

1 "And we each know that Mulroney
2 had absolutely nothing to do
3 with the sale of airbus ..."

4 23254 MR. F. DOUCET: Correct.

5 23255 MR. WOLSON: That was important for
6 you to write down.

7 23256 MR. F. DOUCET: I would think so. I
8 think everything that I wrote down are impressions that
9 stuck with me of the entire conversation.

10 23257 MR. WOLSON: Did you reduce the
11 entire conversation to writing?

12 23258 MR. F. DOUCET: I'm sorry?

13 23259 MR. WOLSON: Did you reduce the
14 entirety of the conversation to writing?

15 23260 MR. F. DOUCET: As best I recall,
16 certainly the things that stuck with me.

17 23261 I can tell you that Mr. Schreiber is
18 much accustomed -- and I don't fault him for this at
19 all -- to elaborate at some length on everything. So I
20 didn't write down everything, I wrote the things that
21 stuck with me over the period that we were together.

22 23262 MR. WOLSON: Did you tell Mr.
23 Mulroney afterwards that you had met with Schreiber and
24 recorded, as best you could, what Schreiber had told
25 you?

1 23263 MR. F. DOUCET: I believe I did.

2 23264 MR. WOLSON: And you would have
3 referred him to the highlights, I am assuming, of the
4 conversation --

5 23265 MR. F. DOUCET: Yes.

6 23266 MR. WOLSON: -- things like Mr.
7 Schreiber indicating that Mr. Mulroney had nothing to
8 do with the sale of Airbus. That is something, I am
9 sure, you would have told Mr. Mulroney.

10 23267 MR. F. DOUCET: Yes, I am quite sure
11 that I went through what I recorded.

12 23268 MR. WOLSON: The second paragraph:
13 "People are going to be very
14 surprised about the individual
15 we're going to discover. When
16 I'm finished we will know that
17 Rock, Gray, Chretien, knew about
18 what the RCMP were doing."

19 23269 MR. F. DOUCET: Correct.

20 23270 MR. WOLSON: So he was talking to you
21 about a lawsuit in which he was going to discover
22 former high office holders, including a prime minister.

23 23271 MR. F. DOUCET: Correct.

24 23272 MR. WOLSON: He wasn't a former prime
25 minister then, a prime minister.

1 23273 MR. F. DOUCET: Yes.

2 23274 MR. WOLSON: Then, in the third
3 paragraph --

4 23275 Did you know who the author -- or who
5 contributed to the Letter of Request? Did you know the
6 lawyer's name prior to December 26th, '99?

7 23276 MR. F. DOUCET: I don't recall that I
8 did.

9 23277 MR. WOLSON: Kimberley Prost is the
10 lawyer.

11 23278 MR. F. DOUCET: Yes.

12 23279 MR. WOLSON: Do you recall that name
13 prior to the 26th of --

14 23280 MR. F. DOUCET: I don't think so.
15 I'm not a hundred percent sure. I know that the name
16 has come up since, but I don't think, at the time, when
17 it was mentioned to me, that I knew who she was.

18 23281 MR. WOLSON: When you write down
19 about the kinds of questions that are going to be asked
20 at the discovery of Kimberley Prost, does that come
21 from Mr. Schreiber, or is that something that you made
22 up?

23 23282 MR. F. DOUCET: We are on the --

24 23283 MR. WOLSON: The third paragraph.

25 23284 MR. F. DOUCET: "People are going to

1 be very surprised..."?
2 23285 MR. WOLSON: No, "When we discover
3 Prost..."
4 23286 MR. F. DOUCET: Yes.
5 23287 MR. WOLSON: I don't need to repeat
6 what it says, it's there.
7 23288 MR. F. DOUCET: Yes.
8 23289 MR. WOLSON: Is that something he
9 told you, or is that --
10 23290 MR. F. DOUCET: That's something he
11 told me.
12 23291 MR. WOLSON: There is no doubt about
13 that.
14 23292 MR. F. DOUCET: Zero doubt about
15 that.
16 23293 It made a lasting impression.
17 23294 MR. WOLSON: Quite crude.
18 23295 MR. F. DOUCET: Yes.
19 23296 MR. WOLSON: Fourth paragraph, where
20 Mr. Schreiber, according to what you have written down,
21 says that "The extradition hearing..."
22 23297 He is talking about his own hearing
23 now, is he?
24 23298 MR. F. DOUCET: Yes.
25 23299 MR. WOLSON: "...is going to resolve

1 the issue for Brian."

2 23300 Do you see that?

3 23301 MR. F. DOUCET: I do.

4 23302 MR. WOLSON: He talks about the bank

5 documents and says that when the German and Swiss bank

6 documents have been thoroughly examined, there is no

7 reference to Brian.

8 23303 MR. F. DOUCET: I see that.

9 23304 MR. WOLSON: I am not reading it

10 precisely as it is written, but that's the gist of what

11 he said to you.

12 23305 MR. F. DOUCET: Correct.

13 23306 MR. WOLSON: He, having raised the

14 German and Swiss bank documents, would you not have

15 then said to him something to the effect of:

16 Karlheinz, let's have those documents. Provide them to

17 me. Help Brian.

18 23307 Did you make comments like that?

19 23308 MR. F. DOUCET: I have no

20 recollection of that at all.

21 23309 MR. WOLSON: Then he talks about a

22 social matter, which is of no moment, but you saw fit

23 to write it down.

24 23310 MR. F. DOUCET: Correct.

25 23311 MR. WOLSON: The sixth paragraph:

1 "Brian should know who his best
2 friend is. It is not the many
3 he thinks....It is you."
4 23312 Meaning you --
5 23313 MR. F. DOUCET: Myself.
6 23314 MR. WOLSON: Yourself.
7 23315 MR. F. DOUCET: Yes.
8 23316 MR. WOLSON: Next paragraph:
9 "I cannot understand why Brian
10 did not tell me all along the
11 way why he wouldn't support the
12 Nova Scotia project. If he had
13 told me he couldn't do it for
14 whatever reason I would have
15 accepted it. He never told
16 me -- so I kept pushing it.
17 However, I'm over that now."
18 23317 MR. F. DOUCET: Correct.
19 23318 MR. WOLSON: Did you not add anything
20 to the conversation, such as: You know, Karlheinz,
21 even though Nova Scotia didn't go ahead, there was a
22 movement to Quebec, and Mr. Mulroney was supportive of
23 that.
24 23319 Did you not say words to that effect?
25 23320 MR. F. DOUCET: I am sure that I

1 engaged in that conversation, but I have no
2 recollection.

3 23321 MR. WOLSON: These notes are not
4 interactive, these notes are simply recording, as best
5 you could, what Mr. Schreiber told you.

6 23322 MR. F. DOUCET: That's absolutely
7 correct.

8 23323 MR. WOLSON: Next-to-the-last
9 paragraph:
10 "Brian is a great guy. I wish
11 we could have done that Thyssen
12 project -- he would now have a
13 great client on the
14 international scale."

15 23324 MR. F. DOUCET: Correct.

16 23325 MR. WOLSON: Is that what he told
17 you?

18 23326 MR. F. DOUCET: Correct.

19 23327 MR. WOLSON: He didn't say to you
20 that Brian Mulroney had been advocating for him on the
21 international scale?

22 23328 MR. F. DOUCET: I have no recall of
23 that.

24 23329 MR. WOLSON: He said that he would
25 have -- future --

1 23330 MR. F. DOUCET: Correct.

2 23331 MR. WOLSON: -- had a good client, or
3 a great client on the international scale, being the
4 Thyssen company. Right?

5 23332 MR. F. DOUCET: Correct.

6 23333 MR. WOLSON: You didn't say to him,
7 "But, Karlheinz, Brian did advocate for you on the
8 international scale," you just recorded what he said,
9 which was, in future tense, if he had -- if the Thyssen
10 project had gone ahead, he would have had a good
11 client.

12 23334 That's what you wrote down.

13 23335 MR. F. DOUCET: I may have interacted
14 with him on it, I just have no recollection.

15 23336 MR. WOLSON: So we have to rely on
16 the written word.

17 23337 MR. F. DOUCET: Well, I am relying on
18 it fully.

19 23338 MR. WOLSON: Yes.

20 23339 And then he talks about increasing
21 his lawsuit against the fifth estate.

22 23340 MR. F. DOUCET: Correct.

23 23341 MR. WOLSON: It must be a love-hate
24 relationship that he has with the fifth estate, because
25 he is in bed with them at times, and at other times he

1 is suing them.

2 23342 MR. F. DOUCET: It would seem that

3 way.

4 23343 MR. WOLSON: At least that's what you

5 thought.

6 23344 MR. F. DOUCET: I'm sorry?

7 23345 MR. WOLSON: That's what you thought,

8 because you thought that he was feeding them

9 information in 1999.

10 23346 MR. F. DOUCET: Correct.

11 23347 MR. WOLSON: You purport these notes

12 to be accurate?

13 23348 MR. F. DOUCET: I do.

14 23349 MR. WOLSON: How could you write

15 down, after a three-hour period --

16 23350 When, by the way, did you put him

17 aside and spend the 45 minutes with him in your rec

18 room?

19 23351 Was that in the middle, the end, the

20 beginning?

21 23352 MR. F. DOUCET: No, it was after they

22 left.

23 23353 MR. WOLSON: No, I am asking you when

24 you took him aside and you talked to him.

25 23354 You have written in your notes,

1 "December 26th, '99, 2 to 5 pm."
2 23355 MR. F. DOUCET: Correct.
3 23356 MR. WOLSON: I am assuming that was
4 the entirety of the visit.
5 23357 MR. F. DOUCET: That is correct.
6 23358 MR. WOLSON: I am assuming that, at
7 one point, you took him aside. That's what you told
8 us.
9 23359 MR. F. DOUCET: About half an hour,
10 maybe 45 minutes after they arrived.
11 23360 MR. WOLSON: So if they arrived at
12 2:00, by 2:30, 2:45 you have Schreiber in the rec room
13 and you are discussing matters with him.
14 23361 MR. F. DOUCET: Correct.
15 23362 MR. WOLSON: And make no mistake
16 about it, the matters you are discussing with him are
17 matters that had concern to Mr. Mulroney.
18 23363 MR. F. DOUCET: Correct.
19 23364 MR. WOLSON: Did you lead him to
20 certain areas to get his response to those areas?
21 23365 MR. F. DOUCET: I don't recall
22 exactly the dynamics of the conversation, but it's
23 possible.
24 23366 MR. WOLSON: Let's look at it
25 realistically. If you are trying to get him to give

1 you his position on certain matters that are important
2 to Mr. Mulroney --

3 23367 MR. F. DOUCET: Sure.

4 23368 MR. WOLSON: -- you would lead him to
5 those matters, because he may not hit them otherwise.
6 Right?

7 23369 MR. F. DOUCET: Correct.

8 23370 MR. WOLSON: And that's what you were
9 trying to do, is it not?

10 23371 MR. F. DOUCET: Well, I certainly was
11 looking to his information with respect to some of the
12 issues that are noted here.

13 23372 MR. WOLSON: You were trying to lead
14 him to those areas, so that you could get his viewpoint
15 on them.

16 23373 MR. F. DOUCET: I would say that's
17 correct.

18 23374 That had not been the purpose of the
19 visit, which, as I say, was intended to be, generally,
20 of a social nature, but there was an opportunity for me
21 to have that discussion with him.

22 23375 MR. WOLSON: So it hadn't been a plan
23 that you had made in inviting him to your residence,
24 but you took advantage of the opportunity to then --
25 when you had him in a private setting, to put to him

1 certain matters that you wanted to know what his
2 position was on them -- you wanted to know what his
3 position was.

4 23376 MR. F. DOUCET: In some cases, and in
5 other cases he just volunteered a considerable amount
6 of information.

7 23377 MR. WOLSON: You see, it's a tough
8 act of memory, a tough feat of memory to have someone
9 speak, I would think, for most people, for 45 minutes,
10 let's say 2:30 to quarter after three in the afternoon,
11 and you don't make a single note at the time --

12 23378 And that's true, isn't it?

13 23379 MR. F. DOUCET: Correct.

14 23380 MR. WOLSON: You start making your
15 notes, let's say, at five o'clock, not even discounting
16 ten minutes after they left.

17 23381 MR. F. DOUCET: Sure.

18 23382 MR. WOLSON: And yet you are able to
19 note down what the man has had to say, in full
20 sentences, on nine or ten or eleven different topics.

21 23383 MR. F. DOUCET: I can tell you this,
22 Mr. Wolson, I have had considerable experience in
23 making notes. My period of service to the government
24 involved almost everyday occasions where I had to take
25 notes, in a succinct way, so that I could have them as

1 a memory aid in whatever reporting I would subsequently
2 have to do.

3 23384 That occurred at the staff level,
4 that occurred at the bilateral, country-to-country
5 level, multilateral forums. I was a notetaker.

6 23385 MR. WOLSON: We know that you wrote
7 letters about the Birds and don't remember them today.

8 23386 MR. F. DOUCET: Correct.

9 23387 MR. WOLSON: But these notes you
10 remember.

11 23388 MR. F. DOUCET: I remember making the
12 notes.

13 23389 MR. WOLSON: You don't remember the
14 content of the notes?

15 23390 MR. F. DOUCET: I remember them when
16 I go to them.

17 23391 MR. WOLSON: They have refreshed your
18 memory.

19 23392 MR. F. DOUCET: That is correct.

20 23393 MR. WOLSON: But looking at letters
21 did not.

22 23394 MR. F. DOUCET: It did not.

23 23395 MR. WOLSON: I am assuming that in
24 government you would make notes -- I see a lot of
25 people in government walking around with these black

1 books. Many of my colleagues at the Commission have
2 them, and every time they are talking to somebody they
3 are making a note in their book, and there is a history
4 laid out in front of them.

5 23396 Is that the kind of person you were,
6 that if you were having conversations with people, you
7 would make notes and record things?

8 23397 MR. F. DOUCET: No, I wouldn't say
9 that. This would be at actual meetings.

10 23398 MR. WOLSON: That's what I mean --

11 23399 MR. F. DOUCET: Oh, I'm sorry.

12 23400 MR. WOLSON: -- you have a meeting
13 with somebody, you have one of these black books out --
14 I don't know whether yours was that colour, that is
15 kind of irrelevant, but you are making notes while you
16 are talking to people.

17 23401 MR. F. DOUCET: Yeah. I don't think
18 I had a black book ever.

19 23402 MR. WOLSON: You might have had a
20 green one, or something --

21 23403 MR. F. DOUCET: No, no --

22 23404 MR. WOLSON: -- or a white one,
23 but --

24 23405 COMMISSIONER OLIPHANT: Probably
25 blue.

1 --- Laughter / Rires

2 23406 MR. F. DOUCET: I don't think I had a
3 notebook, I think I used pieces of paper.

4 23407 MR. WOLSON: All right, but you are
5 writing them as the conversations are occurring. You
6 are at a meeting, somebody is saying something, and you
7 are writing it down.

8 23408 MR. F. DOUCET: Not necessarily.

9 23409 MR. WOLSON: You write them
10 afterwards.

11 23410 MR. F. DOUCET: Both ways. Sometimes
12 I would -- in a lot of cases I would have been chairing
13 those meetings that I referred to, and I would not have
14 made notes at that time, I would have made them
15 immediately after, or as soon as I could after.

16 23411 MR. WOLSON: Except, if you were
17 chairing a meeting, you probably would have had an idea
18 as to what you were going to talk about before you
19 talked about it.

20 23412 MR. F. DOUCET: Yeah, I am referring
21 to what others said more so than what I said.

22 23413 MR. WOLSON: Yes.

23 23414 You know, I know that by changing a
24 word or two in a sentence, inadvertently --

25 23415 MR. F. DOUCET: Sure.

1 23416 MR. WOLSON: -- you may destroy the
2 whole meaning of a sentence. Right?

3 23417 MR. F. DOUCET: Correct.

4 23418 MR. WOLSON: Do you know whether that
5 occurred on the 26th of December 1999, that you made an
6 error in adding a word, or misstating a word, not
7 intentionally, but inadvertently?

8 23419 MR. F. DOUCET: It could happen. It
9 could have happened.

10 23420 Certainly I didn't intend to do that,
11 but it could have happened.

12 23421 MR. WOLSON: All right. Let's go on,
13 then. Between the 26th of December 1999 and January
14 the 11th, 2000, which is a meeting you have with Mr.
15 Schreiber at the Royal York Hotel --

16 23422 Did you in fact meet with
17 Schreiber --

18 23423 MR. F. DOUCET: I did.

19 23424 MR. WOLSON: -- between the 26th of
20 December and January the 11th?

21 23425 MR. F. DOUCET: No, not that I
22 recall.

23 23426 MR. WOLSON: All right. I misspoke
24 perhaps.

25 23427 MR. F. DOUCET: I'm sorry, I may have

1 mis-answered.

2 23428 MR. WOLSON: All right. Let's get
3 back on the same page.

4 23429 MR. F. DOUCET: Okay.

5 23430 MR. WOLSON: Between the 26th of
6 December --

7 23431 MR. F. DOUCET: Yes.

8 23432 MR. WOLSON: That was the meeting
9 that you had at your house.

10 23433 MR. F. DOUCET: Correct.

11 23434 MR. WOLSON: Boxing Day.

12 23435 MR. F. DOUCET: Boxing Day.

13 23436 MR. WOLSON: -- and January the 11th
14 of 2000, when you met him at the Royal York, had you
15 met him in between that time?

16 23437 MR. F. DOUCET: I have no recall of
17 that.

18 23438 MR. WOLSON: Had you talked to him in
19 between that time, except for arranging the January
20 11th date?

21 23439 MR. F. DOUCET: I don't recall. I
22 may have, I just don't recall.

23 23440 MR. WOLSON: No notes of that, I am
24 assuming, because they weren't significant or
25 important, if you did talk to him.

1 23441 MR. F. DOUCET: Correct.

2 23442 MR. WOLSON: You didn't talk to him
3 about substantive matters that may be the subject of
4 commentary at this Commission of Inquiry.

5 23443 MR. F. DOUCET: Not that I recall.

6 23444 MR. WOLSON: On the 26th of December
7 1999, did you speak to him about perhaps putting down
8 in writing the mandate as between Mr. Schreiber and Mr.
9 Mulroney, having some written memorandum to that
10 effect?

11 23445 MR. F. DOUCET: I don't believe it
12 was at that meeting. I know that it was at one of the
13 meetings. I think it was the Royal York meeting.

14 23446 MR. WOLSON: You told the
15 Commissioner that after the 26th of December `99
16 meeting you briefed Brian Mulroney on the meeting.

17 23447 MR. F. DOUCET: Yes.

18 23448 MR. WOLSON: How did it come that you
19 had a second meeting on January the 11th, 2000?
20 Whose idea was it?

21 23450 MR. F. DOUCET: I'm not sure of that.
22 I know that as we left the room, or as they left my
23 house, I am not a hundred percent sure, we said to each
24 other: Let's look to a meeting in Toronto when you are
25 there. Give me a call and we will meet.

1 23451 MR. WOLSON: Why?

2 23452 MR. F. DOUCET: I think that,
3 certainly from my vantage point, I knew that the Luc
4 Lavoie issue was an issue that concerned Mr. Mulroney a
5 great deal, and it had been raised at this meeting on
6 the 26th, and I thought that this was unfinished
7 business, number one.

8 23453 Number two, I felt, after our
9 discussions at our house, that there were items that
10 should be cleared up, in particular, memorializing
11 whatever arrangement had been made between Mr. Mulroney
12 and Mr. Schreiber.

13 23454 MR. WOLSON: Why?

14 23455 MR. F. DOUCET: Well, again, Mr.
15 Schreiber had been a valued client, Mr. Mulroney a
16 lifelong friend, and I felt that, the way this was
17 playing out in the media, trouble was brewing and that
18 they should memorialize what their agreement was.

19 23456 MR. WOLSON: Schreiber had not stated
20 publicly, to my knowledge, anything about their
21 business arrangement at all. Why did you have to clear
22 that up when it wasn't a matter of public note?

23 23457 MR. F. DOUCET: Well, sometimes one
24 has a nose for what is coming. Certainly, in the work
25 that I used to do for the government, one had to

1 develop that. You see the media coming down the road,
2 you know they have agendas, and it keeps multiplying.

3 23458 Quite frankly, I was very concerned
4 at the amount of leakage that seemed to be coming from
5 some quarters, not necessarily only Mr. Schreiber, with
6 regard to their relationship.

7 23459 MR. WOLSON: And you felt duty bound
8 to do something about that?

9 23460 MR. F. DOUCET: I felt that I could
10 be helpful, and I took it upon myself to attempt to be.

11 23461 MR. WOLSON: Did you discuss inviting
12 Schreiber to the January 11th, 2000 meeting with Mr.
13 Mulroney?

14 23462 MR. F. DOUCET: I have no recall of
15 that.

16 23463 MR. WOLSON: You don't deny it; you
17 don't remember one way or the other.

18 23464 MR. F. DOUCET: That's correct.

19 23465 MR. WOLSON: Wouldn't you have said
20 to Mr. Mulroney: It's a good thing, Brian, that I meet
21 with him, stay on good terms with him, find out what he
22 has to say about critical matters, record them,
23 memorialize them.

24 23466 Wouldn't you have said that?

25 23467 MR. F. DOUCET: That's possible. I

1 come back to the point I made before, we agreed, as he
2 was leaving our house, that we would meet when I was
3 next in Toronto.

4 23468 I recall that.

5 23469 MR. WOLSON: But then you brief Mr.
6 Mulroney of the meeting on the 26th of December.

7 23470 MR. F. DOUCET: Correct.

8 23471 MR. WOLSON: Did you also say to Mr.
9 Mulroney: Look, I have invited him to another meeting.
10 I am going to try and memorialize what he has to say,
11 so that we will have a written -- something in writing.

12 23472 MR. F. DOUCET: I may have.

13 23473 I should tell you, Mr. Wolson, that
14 Mr. Schreiber was very cordial about everything in
15 respect of the meetings, and made it a point to tell
16 me: Tell Brian about our discussions.

17 23474 So there was no attempt to hide
18 anything that was a subject of our discussions.

19 23475 MR. WOLSON: I am not suggesting some
20 nefarious scheme, I am just asking you whether or not
21 that kind of conversation with Mr. Mulroney took place,
22 based on the fact that Mr. Schreiber told you to tell
23 Mr. Mulroney.

24 23476 MR. F. DOUCET: Correct, yeah. It
25 would be logical, I just don't recall it.

1 23477 MR. WOLSON: Okay. Did you attempt
2 to use some kind of recording device to record the
3 meeting that you had on the 11th of January 2000, some
4 kind of tape machine or --

5 23478 MR. F. DOUCET: No.

6 23479 MR. WOLSON: -- some kind of tape
7 device?

8 23480 MR. F. DOUCET: No.

9 23481 If I had, I would have been duty
10 bound to submit them to you, sir.

11 23482 MR. WOLSON: But that didn't happen.

12 23483 MR. F. DOUCET: That did not happen.

13 23484 MR. WOLSON: The memorializing of
14 that meeting is found at Tab 45.

15 23485 MR. F. DOUCET: Yes, I am there.

16 23486 MR. WOLSON: There are five
17 handwritten pages, fairly full pages, which have been
18 reduced to two typewritten, fairly full pages.

19 23487 MR. F. DOUCET: Correct.

20 23488 MR. WOLSON: How long was the meeting
21 at the --

22 23489 It was at the Royal York in Toronto?

23 23490 MR. F. DOUCET: It was at the Royal
24 York in Toronto, yes.

25 23491 MR. WOLSON: You had a room there?

1 23492 MR. F. DOUCET: I did, and I believe
2 that is noted above there.

3 23493 MR. WOLSON: 5-271.

4 23494 MR. F. DOUCET: I believe that was my
5 room.

6 23495 MR. WOLSON: All right.

7 23496 MR. F. DOUCET: How long the meeting
8 was?

9 23497 I really have no recollection of how
10 long. Probably, at least, an hour.

11 23498 MR. WOLSON: It was definitely your
12 plan, I am assuming, to talk to him about matters which
13 were of concern to Mr. Mulroney.

14 23499 MR. F. DOUCET: Correct, and one in
15 particular.

16 23500 MR. WOLSON: Yes?

17 23501 Which one was that?

18 23502 MR. F. DOUCET: That was the Luc
19 Lavoie matter.

20 23503 MR. WOLSON: Do you say to the
21 Commissioner that these notes are accurate?

22 23504 MR. F. DOUCET: I say to the
23 Commissioner that they were written for that purpose,
24 to be accurate.

25 23505 MR. WOLSON: When did you write the

1 notes?

2 23506 MR. F. DOUCET: I wrote them out
3 minutes after our meeting ended.

4 23507 MR. WOLSON: So you have a meeting
5 for an hour, approximately?

6 23508 MR. F. DOUCET: Correct.

7 23509 MR. WOLSON: Four-thirty `til 5:30?

8 23510 MR. F. DOUCET: Yes.

9 23511 MR. WOLSON: That's the duration of
10 the meeting, but then you're just guessing at that.

11 23512 MR. F. DOUCET: I'm guessing.

12 23513 MR. WOLSON: Did you tell Mr.
13 Schreiber that you wanted to raise some issues with him
14 that were of importance?

15 23514 Did you tell him that?

16 23515 MR. F. DOUCET: I did.

17 23516 MR. WOLSON: Why didn't you simply
18 make notes as you were talking to him?

19 23517 MR. F. DOUCET: I don't know the
20 answer to that, I just --

21 23518 I can't answer that, I just don't
22 recall.

23 23519 MR. WOLSON: That would be a more
24 accurate way of recording conversations, to record them
25 at the time.

1 23520 MR. F. DOUCET: Correct.

2 23521 MR. WOLSON: Did you tell him that
3 you had reduced to writing the previous conversation of
4 the 26th of December 1999?

5 23522 MR. F. DOUCET: I don't recall that I
6 did.

7 23523 MR. WOLSON: Did you tell him that
8 you were going to reduce this conversation to writing?

9 23524 MR. F. DOUCET: I don't recall that I
10 did.

11 23525 MR. WOLSON: This conversation which
12 you have recorded, unlike the previous conversation, is
13 recorded interactively.

14 23526 MR. F. DOUCET: Correct.

15 23527 MR. WOLSON: It starts off about a
16 party, which is of no concern to this inquiry.
17 23528 You agree with that?

18 23529 MR. F. DOUCET: Correct.

19 23530 MR. WOLSON: But then you, I am
20 assuming, put the subject of Luc Lavoie to him.

21 23531 MR. F. DOUCET: Correct.

22 23532 MR. WOLSON: And when I say
23 interactive, it starts off -- what you have here are
24 six numbered paragraphs; right?

25 23533 MR. F. DOUCET: Correct.

1 23534 MR. WOLSON: Many of them are several
2 lines.

3 23535 MR. F. DOUCET: Yes.

4 23536 MR. WOLSON: And after the six
5 paragraphs you have your conclusions in point form.

6 23537 MR. F. DOUCET: Correct.

7 23538 MR. WOLSON: When you recorded these,
8 after he left -- let's assume --
9 23539 Because, from the length of the
10 notes, you would agree with me that he had to have been
11 with you at least an hour.

12 23540 MR. F. DOUCET: I would say.

13 23541 MR. WOLSON: If not longer.

14 23542 MR. F. DOUCET: I don't recall.

15 23543 MR. WOLSON: You have the kind of
16 memory that you can have an hour-long conversation with
17 somebody, not take a single note, and then retire with
18 pen and paper and write down not only what the other
19 person has said, but, interactively, what you have said
20 as well.

21 23544 You have that kind of memory.

22 23545 MR. F. DOUCET: Well, I certainly put
23 down the main items as I recalled discussing them.
24 This was a much more purposeful meeting than the one at
25 our house.

1 23546 MR. WOLSON: This was a planned,
2 calculated meeting, where you were going to record what
3 was said, with specificity; not only what was said, but
4 the questions you were asking.

5 23547 MR. F. DOUCET: Correct.

6 23548 MR. WOLSON: Point 2 --

7 23549 MR. F. DOUCET: Yes.

8 23550 MR. WOLSON: -- under the heading
9 "Luc".

10 23551 That would be Lavoie, I'm sure.

11 23552 MR. F. DOUCET: Correct.

12 23553 MR. WOLSON:
13 "I gave him letter. I commented
14 the setting that provoked Luc
15 and how out of context the quote
16 was. I told him how irate you
17 were about Luc's statement
18 regardless of provocation and
19 that you had called him in
20 S.A...."

21 23554 I take it South Africa.

22 23555 MR. F. DOUCET: I presume.

23 23556 MR. WOLSON:
24 "... and given him hell."
25 23557 That's what you have written down

1 there.

2 23558 MR. F. DOUCET: Correct.

3 23559 MR. WOLSON: In other words, are you

4 saying that Mr. Schreiber phoned Mr. Mulroney in South

5 Africa? Is that what you are saying?

6 23560 MR. F. DOUCET: No. I believe what

7 I'm saying there "you" is Mr. Mulroney.

8 23561 MR. WOLSON: I see. So you are

9 telling Mr. Schreiber that Mr. Mulroney was in South

10 Africa and was so irate about the comments that Lavoie

11 made that Mr. Mulroney called Mr. Lavoie and gave him

12 hell?

13 23562 MR. F. DOUCET: Correct.

14 23563 MR. WOLSON:

15 "Then I probed what good would

16 be served by proceeding with a

17 suit."

18 23564 Obviously a lawsuit.

19 23565 MR. F. DOUCET: Correct.

20 23566 MR. WOLSON: When you say you probed,

21 that's you, Fred Doucet, or is that still Mr. Mulroney?

22 23567 MR. F. DOUCET: No. I think I'm

23 talking about myself.

24 23568 MR. WOLSON: That would make sense.

25 23569 MR. F. DOUCET: Yes.

1 23570 MR. WOLSON: And then he responds:
2 "K.S. said, well he did me a lot
3 of harm in Germany -- my friends
4 from there are asking me why a
5 spokesperson for BM would call
6 me a liar."
7 23571 MR. F. DOUCET: Correct.
8 23572 MR. WOLSON: So here is the
9 interaction. You are writing down what you said, what
10 Mr. Mulroney said, then you are writing down what
11 Karlheinz Schreiber said, and you are able to do that
12 on hour after a conversation.
13 23573 That is a remarkable feat, I must
14 say.
15 23574 MR. F. DOUCET: I don't think I wrote
16 it an hour after. I wrote it immediately after.
17 23575 MR. WOLSON: No, I understand, but an
18 hour after it was said.
19 23576 MR. F. DOUCET: Correct.
20 23577 MR. WOLSON: Yes.
21 23578 MR. F. DOUCET: Yes.
22 23579 MR. WOLSON: The paragraph goes on
23 about 13 lines and it's about Luc Lavoie.
24 23580 That's under the heading "Luc" and
25 that's that paragraph, about 13 typed lines,

1 approximately.

2 23581 MR. F. DOUCET: Yes. Beginning
3 with...?

4 23582 MR. WOLSON: Beginning with "I gave
5 him the letter" and ending with "Have his lawyers call
6 Eddie".

7 23583 MR. F. DOUCET: Yes.

8 23584 MR. WOLSON: That is paragraph 2 of
9 your notes.

10 23585 MR. F. DOUCET: Correct.

11 23586 MR. WOLSON: The next paragraph
12 number three:

13 "Now on our friend B.M. I was
14 quite taken by your concern at
15 our house regarding an apparent
16 statement that Brian made."
17 23587 That's you talking?

18 23588 MR. F. DOUCET: Correct.

19 23589 MR. WOLSON:
20 "Since you had invited me to
21 tell B.M. everything, I did.
22 And Brian quite frankly could
23 not understand where you would
24 be of that impression."
25 23590 I am assuming you are talking about

1 some comments that Mr. Mulroney said at his discovery
2 in Québec regarding the lawsuit against the Government
3 of Canada?

4 23591 MR. F. DOUCET: That's correct.

5 23592 MR. WOLSON: You say:

6 "Now on our friend B.M. I was
7 quite taken by your concern at
8 our house regarding an apparent
9 statement that Brian made."

10 23593 But there is nothing -- and I'm
11 assuming you are talking about the 26th of December.

12 23594 MR. F. DOUCET: Correct, so am I.

13 23595 MR. WOLSON: There is nothing in your
14 notes of the 26th of December about the discovery. I
15 have looked at your notes. There is nothing in there.

16 23596 MR. F. DOUCET: Correct.

17 23597 MR. WOLSON: Why not?

18 23598 MR. F. DOUCET: I don't have an
19 answer for that.

20 23599 MR. WOLSON: But you remembered it on
21 the 11th of January 2000, because you have raised it.

22 23600 MR. F. DOUCET: Correct.

23 23601 MR. WOLSON: As a matter of fact, not
24 only have you raised it, you have gone and you have
25 gotten the text of the discovery.

1 23602 You say:
2 "Subsequently however, he went
3 to the text of his discoveries
4 and found a section where you
5 may have misunderstood..."

6 23603 And:
7 "I have brought you that section
8 and I'm prepared to get you the
9 entire transcript if you'd like
10 it. Fred..."

11 23604 MR. F. DOUCET: Correct.

12 23605 MR. WOLSON: If you'd like it; right?
13 23606 That's what it says?

14 23607 MR. F. DOUCET: Yes.

15 23608 MR. WOLSON: So obviously, then, you
16 have discussed matters before this meeting with
17 Mr. Mulroney because you got a portion of the text of
18 the transcript from him.

19 23609 MR. F. DOUCET: That's correct.

20 23610 MR. WOLSON: What portion was that?

21 23611 MR. F. DOUCET: I think it had to do
22 with a grammatical phrase "tournure de phrase" where
23 one could get an impression if a word was either said
24 or implied versus it not being that way.

25 23612 I'm not expressing myself very well.

1 23613 MR. WOLSON: Well, let's put it to
2 the topic. Was the topic about Mr. Mulroney saying
3 that he had no deals with Mr. -- or words to that
4 effect?

5 23614 What was it about? What was the
6 substance of the matter?

7 23615 MR. F. DOUCET: I have not reviewed
8 that part in preparing for this examination.

9 23616 MR. WOLSON: All right. You brought
10 the section to him. You say you are prepared to get
11 the entire transcript.

12 23617 MR. F. DOUCET: Yes.

13 23618 MR. WOLSON: And he says, according
14 to you:

15 "Fred, I fully understand now
16 and I can see how Brian would
17 have been concerned when you
18 reported to him. O.K. Fred this
19 fully clears that up. I now
20 understand. So there's no
21 problem here anymore."

22 23619 MR. F. DOUCET: Correct.

23 23620 MR. WOLSON: You could, within an
24 hour of those comments being uttered, 45 minutes of
25 those comments being uttered, you could record it

1 exactly as it was said?

2 23621 MR. F. DOUCET: Well, I did the best
3 I could. I'm not suggesting that these are exact words
4 out of his mouth. I wouldn't think that that would be
5 the case, but I tried to reflect the tempo and the
6 temper of the conversation.

7 23622 MR. WOLSON: Let's go on to the
8 second part of the third paragraph.

9 "Now K.S..."

10 23623 You are talking, obviously.

11 23624 MR. F. DOUCET: Yes.

12 23625 MR. WOLSON:

13 "... let us imagine that what
14 you had in mind when you called
15 me to set up the Mirabel
16 meeting..."

17 23626 That's what you start off with?

18 23627 MR. F. DOUCET: Correct.

19 23628 MR. WOLSON: You are trying to get
20 him to give you information, obviously; right?

21 23629 You want him to tell you what he had
22 in mind when he called you to arrange the Mirabel
23 meeting?

24 23630 MR. F. DOUCET: I don't take it that
25 way.

1 23631 MR. WOLSON:
2 "... let us imagine that what
3 you had in mind when you called
4 me to set up the Mirabel
5 meeting..."

6 23632 Is that not what you would take from
7 that statement --

8 23633 MR. F. DOUCET: No.

9 23634 MR. WOLSON: -- that you wanted him
10 to tell you what his mindset was?

11 23635 Is that not -- am I wrong?

12 23636 MR. F. DOUCET: My interpretation of
13 it would be different than that.

14 23637 MR. WOLSON: What is your
15 interpretation of that?

16 23638 MR. F. DOUCET: My interpretation is
17 that I meant to say, as an introductory phrase,
18 sentence: Let us contemplate what you had in mind and
19 then we will get on to what follows.

20 23639 MR. WOLSON: You are asking him what
21 is in his mindset, are you not?

22 23640 MR. F. DOUCET: Yes. I guess in a
23 way I'm trying to tell him to focus on what was
24 discussed.

25 23641 MR. WOLSON: Okay. You are asking

1 him to focus. Focus is good.

2 23642 Let's go on.

3 "Now K.S. let us imagine that

4 what you had in mind when you

5 called me to set up the Mirabel

6 meeting etc. regarding M.B.'s

7 consultancy internationally

8 comes out during your

9 discoveries."

10 23643 MR. F. DOUCET: Correct.

11 23644 MR. WOLSON: It seems to me you are

12 not asking him to focus. You are telling him the

13 answer.

14 23645 MR. F. DOUCET: Well, I don't take it

15 that way. I fully expect that he would know what had

16 been discussed because he had told me what was being

17 planned for the discussion at that meeting. I simply

18 wanted him to recall that.

19 23646 MR. WOLSON: You are not putting

20 words in his mouth, in your opinion?

21 23647 MR. F. DOUCET: Certainly it was not

22 my intent.

23 23648 MR. WOLSON:

24 "... let us imagine that what

25 you had in mind when you called

1 me to set up the Mirabel meeting
2 etc. regarding M.B.'s
3 consultancy internationally
4 comes out during your
5 discoveries. May I presume you
6 will disclose the same as I
7 understood the consultancy to
8 be. The occasion of Elmer's
9 luncheon party was to propose to
10 M.B. that you would want him to
11 keep an a watching brief world
12 wide over a three year horizon
13 and to report periodically on
14 possible opportunities for your
15 companies and that for that
16 service you were prepared to pay
17 a fee and expenses."

18 23649 MR. F. DOUCET: Correct.

19 23650 MR. WOLSON: You are telling him what
20 the deal was, aren't you?

21 23651 MR. F. DOUCET: I would not interpret
22 it that way. What I would interpret is I'm asking him
23 to focus on the discussions in Mirabel and the
24 manifestations of that as I witnessed it at the New
25 York meeting.

1 23652 MR. WOLSON: As opposed to saying to
2 him: Karlheinz, what was your deal?
3 23653 You don't say that. You tell him
4 what the deal was and then you ask him for his opinion.
5 23654 MR. F. DOUCET: Well, I disagree with
6 that.
7 23655 MR. WOLSON: Have I read it wrong?
8 23656 MR. F. DOUCET: No, you haven't read
9 it wrong. I think you have interpreted it wrong.
10 23657 MR. WOLSON: "May I presume..."
11 23658 Third line:
12 "... you will disclose the same
13 as I understood the consultancy
14 to be. The occasion of Elmer's
15 luncheon party..."
16 23659 I have read the rest of it. You are
17 asking him what he is going to say at his discovery.
18 23660 MR. F. DOUCET: Correct.
19 23661 MR. WOLSON: What business is it of
20 yours what the man is going to say? He is going to
21 take an oath, is he not?
22 23662 MR. F. DOUCET: Yes.
23 23663 MR. WOLSON: When you take an oath,
24 you should be telling the truth, should you not?
25 23664 MR. F. DOUCET: Absolutely.

1 23665 MR. WOLSON: Why is it Fred Doucet's
2 business what someone else is going to say under oath?

3 23666 MR. F. DOUCET: Well, I guess I made
4 it my business because I was concerned that there would
5 be a straying away from what I had been told the
6 consultancy was all about.

7 23667 I was trying to be helpful to the two
8 of them. That was my motive.

9 23668 MR. WOLSON: You weren't content to
10 say to Schreiber: You know, just tell the truth at the
11 discovery. You don't say that in that paragraph.

12 23669 MR. F. DOUCET: Well, I certainly
13 wasn't implying that he should not tell the truth.

14 23670 MR. WOLSON: And you thought you had
15 an interest in what someone else is going to say under
16 oath. You took it upon yourself to ask him that
17 question.

18 23671 MR. F. DOUCET: Correct.

19 23672 MR. WOLSON: All right.

20 "May I presume you will disclose
21 the same as I understood the
22 consultancy to be. The occasion
23 of Elmer's luncheon party was to
24 propose to M.B. that you would
25 want him to keep an a watching

1 brief world wide over a three
2 year horizon and to report
3 periodically on possible
4 opportunities for your companies
5 and that for that service you
6 were prepared to pay a fee and
7 expenses."
8 23673 Right?
9 23674 MR. F. DOUCET: Correct.
10 23675 MR. WOLSON:
11 "Let me stop you there Fred."
12 23676 There's the interactive again.
13 23677 MR. F. DOUCET: Yes.
14 23678 MR. WOLSON:
15 "Brian and I had discussed this
16 before particularly in the
17 context of ..."
18 23679 It says "place keeping". It should
19 be "peacekeeping".
20 23680 MR. F. DOUCET: It should be
21 "peacekeeping", yes. My handwriting again.
22 23681 MR. WOLSON: No, no, these things can
23 happen:
24 "... in the context of
25 peacekeeping programs and also

1 dealing with the reunified
2 Germany. So, OK, K.S...."

3 23682 You say:
4 "... you had a mandate which was
5 acceptable to M.B. Yes, that's
6 right."

7 23683 This is the interactive again.

8 23684 MR. F. DOUCET: Yes.

9 23685 MR. WOLSON: "Now..."

10 23686 You are asking:
11 "... if you are asked under oath
12 about the post-1993 period is
13 this what you're going to say."

14 23687 MR. F. DOUCET: Correct.

15 23688 MR. WOLSON: Why is that your
16 business?

17 23689 MR. F. DOUCET: I suppose it isn't my
18 business, but I took it upon myself to make it so.

19 23690 MR. WOLSON: Do you go around asking
20 people what they are going to say --

21 23691 MR. F. DOUCET: No.

22 23692 MR. WOLSON: -- when they are sworn
23 to tell the truth?

24 23693 MR. F. DOUCET: No. It's not a
25 practice of mine.

1 23694 MR. WOLSON: You have asked him this
2 twice now in the space of one paragraph.

3 23695 MR. F. DOUCET: Correct.

4 23696 MR. WOLSON: More interactive:
5 "We'll(sic) Fred, I can't
6 perjure myself so I guess if
7 asked that's what I would say."

8 23697 MR. F. DOUCET: Correct.

9 23698 MR. WOLSON: Not "that's what I will
10 say":
11 "... I guess if asked that's
12 what I would say."

13 23699 MR. F. DOUCET: That's what I wrote.

14 23700 MR. WOLSON: Not too heartwarming.

15 23701 MR. F. DOUCET: I'm sorry...?

16 23702 MR. WOLSON: Not too heartwarming:
17 "... I guess if asked that's
18 what I would say."

19 23703 MR. F. DOUCET: Well, I wrote down I
20 believe what he told me.

21 23704 MR. WOLSON: Okay. Question by you,
22 more interactive:
23 "What about the financial
24 arrangements? Well it could
25 have been an advance or a

1 loan -- I don't really fully
2 recall but I guess it is only
3 relevant in the context of my
4 taxes so let's wait a while
5 since I won't be discovered for
6 a long time..."

7 23705 And he says he may never be
8 discovered; right?

9 23706 MR. F. DOUCET: Correct.

10 23707 MR. WOLSON: Well, that's not true.
11 You knew that's not true. You know that it's not true
12 what he says:

13 "... it could have been an
14 advance or a loan..."

15 23708 You that was not truthful. You told
16 me before you were there and it was payment for
17 services and expenses.

18 23709 MR. F. DOUCET: I wrote down what he
19 told me, sir.

20 23710 MR. WOLSON: The man is telling you
21 basically I don't know whether I'm going to treat it as
22 an advance or a loan. You didn't say to him: Well,
23 Karlheinz, just, you know, don't say that. We both
24 know what it was for.

25 23711 You were there, sir. Mr. Doucet, you

1 were at the hotel --

2 23712 MR. F. DOUCET: Yes.

3 23713 MR. WOLSON: -- when the payment was

4 handed over.

5 23714 MR. F. DOUCET: Correct.

6 23715 MR. WOLSON: You knew what the

7 payment was for, at least what you were told at least.

8 23716 MR. F. DOUCET: Correct.

9 23717 MR. WOLSON: "Look Fred..."

10 23718 At the top of page 2.

11 23719 MR. F. DOUCET: Yes...?

12 23720 MR. WOLSON:

13 "... Brian is my friend. I will

14 do nothing that will hurt him --

15 you tell him.."

16 23721 MR. F. DOUCET: Correct.

17 23722 MR. WOLSON:

18 "We can come back to this matter

19 later but we agree on the

20 mandate I gave him and he

21 accepted. O.K. Fred, there is

22 nothing like the truth do you

23 agree?"

24 23723 And you must say:

25 "Absolutely."

1 23724 MR. F. DOUCET: Correct.

2 23725 MR. WOLSON: It wasn't the truth,
3 though. That's the only problem.

4 23726 MR. F. DOUCET: As I say, I wrote
5 down exactly what he told me.

6 23727 MR. WOLSON: Wouldn't you say to the
7 man: Look it, the truth is great, that's what we all
8 want, but that's not what you're saying to me,
9 Karlheinz.

10 23728 You didn't say that?

11 23729 MR. F. DOUCET: I didn't analyze his
12 statement obviously well enough, and I don't want to do
13 a retroactive analysis. So I stick to what I wrote.

14 23730 MR. WOLSON:
15 "... Fred, there is nothing like
16 the truth do you agree?"

17 23731 Then you say:
18 "Absolutely."

19 23732 Your answer, please?

20 23733 MR. F. DOUCET: That is my answer.

21 23734 MR. WOLSON: Your answer is that you
22 have recorded it accurately?

23 23735 MR. F. DOUCET: I'm sorry...?

24 23736 MR. WOLSON: Your answer is that you
25 have recorded it accurately?

1 23737 MR. F. DOUCET: Yes.

2 23738 MR. WOLSON: I'm reading it
3 accurately?

4 23739 MR. F. DOUCET: Yes.

5 23740 MR. WOLSON: Okay.

6 23741 MR. F. DOUCET: Correct. I might
7 just comment, Mr. Wolson.

8 23742 MR. WOLSON: Sure, I would like your
9 comment.

10 23743 MR. F. DOUCET: And I guess maybe I'm
11 being retroactive now.

12 23744 But it strikes me, as I reread that
13 sentence, that that could have been a generic statement
14 on his part, that there is nothing like the truth, do
15 you agree? And I of course agree.

16 23745 Not necessarily tied to the subject
17 of that paragraph. But that's -- I'm just coming to
18 that view as I'm reading that.

19 --- Pause

20 23746 MR. WOLSON: When I said you knew
21 that the payment was not a loan, I'm going to refer you
22 back to Tab 43 of Book 1.

23 23747 MR. F. DOUCET: Yes.

24 23748 MR. WOLSON: Your notes memorializing
25 the meeting at the Pierre Hotel.

1 23749 MR. F. DOUCET: Yes.

2 23750 MR. WOLSON: To put this in context,
3 you write these notes after watching The Fifth Estate
4 when you are concerned and you wanted to ensure that
5 you made a note to yourself regarding the meeting at
6 the Hotel Pierre in New York.

7 23751 MR. F. DOUCET: Correct.

8 23752 MR. WOLSON: Yes.

9 23753 Just near the bottom portion:
10 "At the end of the discussions
11 K.S. handed over an envelope
12 indicating that a payment for
13 services and expenses were
14 included."

15 23754 MR. F. DOUCET: Correct.

16 23755 MR. WOLSON: Not a loan.

17 23756 MR. F. DOUCET: Correct.

18 23757 MR. WOLSON: Not an advance --

19 23758 MR. F. DOUCET: Correct.

20 23759 MR. WOLSON: I suppose potentially an
21 advance, but in any event, a payment.

22 23760 MR. F. DOUCET: Yes.

23 23761 MR. WOLSON: For services and
24 expenses.

25 23762 And the amazing part, going back to

1 Tab 45, is that you are able to get this whole
2 interactive conversation down without having made one
3 single note at the time that these words were uttered.
4 23763 MR. F. DOUCET: Again I say these
5 items were discrete items, six of them, and I
6 reconstructed them in my memory after the meeting was
7 over. I wrote them with the intention of being as
8 accurate as possible and I chose to use the interactive
9 approach, which was not unusual for me in my service to
10 the government.
11 --- Pause
12 23764 MR. WOLSON: All right. Paragraph 4.
13 23765 MR. F. DOUCET: Yes...?
14 23766 MR. WOLSON:
15 "K.S. what the hell's happening
16 in Germany?"
17 23767 You start off that way.
18 23768 MR. F. DOUCET: Correct.
19 23769 MR. WOLSON:
20 "All hell is breaking loose."
21 23770 He says to you; right?
22 23771 MR. F. DOUCET: I think I say that to
23 him.
24 23772 MR. WOLSON: Oh, you say that to him.
25 23773 MR. F. DOUCET: I believe.

1 23774 MR. WOLSON:
2 "... what the hell's happening
3 in Germany? All hell is
4 breaking loose..."
5 "You see, Fred..."
6 23775 He starts talking to you. There is
7 this interactive again.
8 23776 MR. F. DOUCET: Yes.
9 23777 MR. WOLSON:
10 "... the Bavarian Premier wants
11 to be Chancellor. I will see to
12 it he doesn't get it."
13 23778 Right?
14 23779 MR. F. DOUCET: Correct.
15 23780 MR. WOLSON: "I owe this to Strauss."
16 23781 That's what he says; right?
17 23782 MR. F. DOUCET: That's what I wrote
18 down.
19 23783 MR. WOLSON: Here is a man that is
20 going to affect German politics. He is going to see to
21 it that the Bavarian Premier doesn't get to be
22 Chancellor. That's quite a feat of an ordinary human
23 being.
24 23784 MR. F. DOUCET: Quite an assertion.
25 23785 MR. WOLSON: Yes. It's a man that

1 wants to change history. That's what it sounds like,
2 doesn't it?

3 23786 MR. F. DOUCET: Yes.

4 23787 MR. WOLSON: He tells you that Kohl
5 is his friend. The Treasurer of the Party is his
6 friend. That's what he tells you.

7 23788 MR. F. DOUCET:

8 "the Treasurer of the Party
9 (Strauble) has ambitions..."

10 23789 MR. WOLSON: Oh, I'm sorry. He has
11 ambitions. Kohl is his friend.

12 23790 MR. F. DOUCET: That's what I --
13 that's what I took it to be.

14 23791 MR. WOLSON: No, he says:

15 "The Treasurer is my friend..."

16 23792 MR. F. DOUCET: Yes.

17 23793 MR. WOLSON: "... Kohl is my friend."

18 23794 MR. F. DOUCET: Yes. I see that now.

19 23795 MR. WOLSON: So he has some pretty
20 high powered people everywhere, it seems.

21 23796 MR. F. DOUCET: It would appear.

22 23797 MR. WOLSON: Yes. And in effect he
23 tells you that in Canada he can do nothing without his
24 counsel's approval:

25 "But in Germany I'm doing my own

1 thing..."

2 23798 That's what he says; right?

3 23799 MR. F. DOUCET: Correct.

4 23800 MR. WOLSON: The fifth paragraph.

5 23801 MR. F. DOUCET: Can I make one

6 observation?

7 23802 MR. WOLSON: Sure, please.

8 23803 MR. F. DOUCET: The last part of

9 paragraph 4, may I read that part?

10 23804 MR. WOLSON: Absolutely.

11 23805 MR. F. DOUCET:

12 "My friends out there are happy

13 that after five years of silence

14 when Pelossi and company did all

15 the talking and hurt me badly

16 that finally I'm now talking.

17 K.S. I need to walk you through

18 the pitfalls."

19 23806 That's me saying that.

20 23807 MR. WOLSON: So what you are saying

21 to him is, you know, maybe you shouldn't be talking.

22 23808 MR. F. DOUCET: Yes.

23 23809 MR. WOLSON: Which is exactly what

24 you told us before.

25 23810 MR. F. DOUCET: To the media. To the

1 media that is, yes.

2 23811 MR. WOLSON: Yes. Good advice you
3 gave him. True?

4 23812 MR. F. DOUCET: I hope so.

5 23813 MR. WOLSON: Yes. Then he talks in
6 the fifth paragraph of discoveries on his lawsuit.

7 23814 MR. F. DOUCET: Yes.

8 23815 MR. WOLSON: That he is going to
9 discover:

10 "... Prost, her Boss, then
11 Thompson, then Rock. Then a
12 long list including Chretien."
13 23816 Right?

14 23817 MR. F. DOUCET: Correct.

15 23818 MR. WOLSON: And then in the sixth
16 paragraph:

17 "You know Fred, the official
18 prosecution materials were lost
19 for a week when they arrived in
20 Canada. We think they were
21 intercepted by the RCMP. When
22 they were found the seal was
23 broken and a part was missing."
24 23819 Sort of high-level intrigue.

25 23820 MR. F. DOUCET: Yes.

1 23821 MR. WOLSON:
2 "They don't know we have the
3 missing part (we were able to
4 obtain it) and it is that part
5 that will fully lay to rest the
6 Airbus case. Because all the
7 accounts one..."

8 23822 MR. F. DOUCET: I think --

9 23823 MR. WOLSON: Yes, go ahead?

10 23824 MR. F. DOUCET: I think "one" is
11 "are", A-R-E.

12 23825 MR. WOLSON: Okay.

13 23826 MR. F. DOUCET: I can go back to my
14 written notes.

15 23827 MR. WOLSON: That's fine:
16 "Because all the accounts are in
17 there and there is no reference
18 directly or indirectly to M.B."
19 23828 Brian Mulroney, right?

20 23829 MR. F. DOUCET: Correct.

21 23830 MR. WOLSON:
22 "After this comes out there is
23 no basis to continue the
24 investigation on Airbus. I tell
25 you again, Fred, ironically this

1 extradition hearing will serve
2 to kill Airbus in Canada..."

3 23831 That is what he says to you?

4 23832 MR. F. DOUCET: Correct.

5 23833 MR. WOLSON: And at the end you write
6 down some conclusions.

7 23834 MR. F. DOUCET: Yes.

8 23835 MR. WOLSON: In bullet form; right?

9 23836 MR. F. DOUCET: Yes.

10 23837 MR. WOLSON: Although there is no
11 number, the first thing you say is:
12 "He is hurting for money".

13 23838 MR. F. DOUCET: That was my
14 impression.

15 23839 MR. WOLSON:
16 "He is getting paid for his
17 interviews (he let slip that he
18 had made \$40,000 in one
19 interview)".

20 23840 MR. F. DOUCET: Correct.

21 23841 MR. WOLSON: So I am assuming that he
22 is doing something that you thought he was doing. He
23 is talking.

24 23842 MR. F. DOUCET: Yes.

25 23843 MR. WOLSON: What did he say he got

1 \$40,000 for? What interview and with whom?

2 23844 MR. F. DOUCET: I have a vague
3 recollection that it was in Germany -- that it was a
4 German newspaper, but I'm not 100 per cent sure of
5 that.

6 23845 MR. WOLSON:
7 "He also mentioned taking a call
8 from Time magazine."

9 23846 MR. F. DOUCET: Correct.

10 23847 MR. WOLSON: He says.

11 --- Pause

12 23848 MR. WOLSON: It's just shy of -- it
13 is 11 o'clock. We have been at it for an hour and a
14 half.

15 23849 COMMISSIONER OLIPHANT: Are you going
16 to be moving on to another document when we resume?

17 23850 MR. WOLSON: Yes.

18 23851 COMMISSIONER OLIPHANT: Because I
19 would like to ask a question, if you don't mind.

20 23852 Mr. Doucet, I want to have you look
21 at paragraph number three under Tab 45, the document
22 that we have just been looking at.

23 23853 MR. F. DOUCET: Yes.

24 23854 COMMISSIONER OLIPHANT: The first
25 sentence, and it's a little confusing here with your

1 interactive work.

2 "Now on our friend B.M. I was
3 quite taken by your concern at
4 our house regarding an apparent
5 statement that Brian made."

6 23855 Is that you speaking?

7 23856 MR. F. DOUCET: That's me speaking.

8 23857 COMMISSIONER OLIPHANT: That's you
9 speaking. So you were quite taken by a concern
10 expressed by Mr. Schreiber at your house.

11 23858 MR. F. DOUCET: Correct. Correct.

12 23859 COMMISSIONER OLIPHANT: Is there any
13 reference to that in your notes from December the 26th?

14 23860 MR. F. DOUCET: No, I don't think so.

15 23861 COMMISSIONER OLIPHANT: I thought you
16 said that you noted everything that was important and
17 here you are talking about something that you were
18 quite taken by and yet you didn't write anything down.

19 23862 MR. F. DOUCET: Yes, that's correct.

20 23863 COMMISSIONER OLIPHANT: What was the
21 concern?

22 23864 MR. F. DOUCET: Well, the concern was
23 that he had an interpretation of a document that was
24 conveying to him that Mr. Mulroney was doing something
25 untoward towards him.

1 23865 COMMISSIONER OLIPHANT: Why would you
2 not have noted that on December 26th?

3 23866 MR. F. DOUCET: Very good question.
4 I don't know.

5 23867 COMMISSIONER OLIPHANT: Do you have a
6 good answer?

7 23868 MR. F. DOUCET: I don't have a good
8 answer.

9 23869 COMMISSIONER OLIPHANT: Okay.
10 23870 We will come back in 15 minutes.

11 23871 MR. WOLSON: Just one question so
12 that I could move on when we are back.

13 23872 How is it that you remember that now?

14 23873 MR. F. DOUCET: I'm sorry...?

15 23874 MR. WOLSON: How is it that you
16 remember that now?

17 23875 MR. F. DOUCET: That I had not asked?

18 23876 MR. WOLSON: No. How is it that you
19 remember this area today?

20 23877 MR. F. DOUCET: Well, I remember it
21 from my notes of the following meeting.

22 23878 MR. WOLSON: So you remember it
23 because your notes are an aid to your memory?

24 23879 MR. F. DOUCET: Correct.

25 23880 MR. WOLSON: Okay. Thank you.

1 23881 COMMISSIONER OLIPHANT: 11:15.
2 --- Upon recessing at 11:00 a.m. / Suspension à 11 h 00
3 --- Upon resuming at 11:20 a.m. / Reprise à 11 h 20
4 23882 COMMISSIONER OLIPHANT: Be seated,
5 please.
6 23883 Mr. Wolson...?
7 23884 MR. WOLSON: Mr. Doucet, I have a few
8 more questions on Tab 45, if you will, please.
9 23885 Tab 45, which is the January 11, 2000
10 meeting that you had with Mr. Schreiber, under point 2
11 of your notes "Luc" you say:
12 "I gave him letter."
13 23886 What does that mean?
14 23887 MR. F. DOUCET: I had a letter of
15 apology written by Luc and that's the letter I'm
16 referring to.
17 23888 MR. WOLSON: Was that through
18 Mr. Mulroney or -- yes?
19 23889 MR. F. DOUCET: I believe it was.
20 23890 MR. WOLSON: Okay. So obviously in
21 advance of this meeting you had been talking to
22 Mr. Mulroney, telling him based on the previous meeting
23 that Lavoie was a major consideration for
24 Mr. Schreiber?
25 23891 MR. F. DOUCET: Correct.

1 23892 MR. WOLSON: And other conversations
2 that you had with him, Mr. Mulroney, that you were
3 going to be meeting with Schreiber, and I take it you
4 would have asked him if there was anything Mr. Mulroney
5 would have wanted asked?

6 23893 MR. F. DOUCET: I'm sorry, you lost
7 me in the question.

8 23894 MR. WOLSON: All right. I apologize.
9 23895 I'm assuming that in your discussions
10 with Mr. Mulroney --

11 23896 MR. F. DOUCET: Yes...?

12 23897 MR. WOLSON: -- you would have asked
13 him in advance of the 11th of January if there were any
14 areas Mr. Mulroney would want covered.

15 23898 Would that be something that would
16 have occurred?

17 23899 MR. F. DOUCET: I don't recall that
18 in particular, no.

19 23900 MR. WOLSON: Okay. I want to ask
20 you, when you are asking him, in the third point, the
21 second paragraph that we have gone over fairly
22 exhaustively --

23 23901 MR. F. DOUCET: Yes...?

24 23902 MR. WOLSON: -- I want to ask you two
25 questions.

1 23903 You are obviously asking him what he
2 is going to say at his discovery because it
3 concerned -- you were obviously of concern that it
4 would be matters touching on Mr. Mulroney. Obviously.

5 23904 MR. F. DOUCET: Correct.

6 23905 MR. WOLSON: Had you discussed that
7 with Mr. Mulroney?

8 23906 MR. F. DOUCET: I probably had.

9 23907 MR. WOLSON: All right.

10 23908 Then secondly, if you just look at
11 "The occasion" -- it's four lines down.

12 23909 MR. F. DOUCET: Yes.

13 23910 MR. WOLSON:
14 "The occasion of Elmer's
15 luncheon party was to propose to
16 M.B. that you would want him to
17 keep a watching brief world wide
18 over a three year horizon and to
19 report periodically on possible
20 opportunities for your
21 companies..."

22 23911 Do you see that?

23 23912 MR. F. DOUCET: Yes, I do.

24 23913 MR. WOLSON:
25 "... and that for that service

1 you were prepared to pay a fee
2 and expenses."
3 23914 MR. F. DOUCET: Correct.
4 23915 MR. WOLSON: A couple of things arise
5 out of that.
6 "The occasion of Elmer's
7 luncheon party..."
8 23916 Which is the Pierre Hotel --
9 23917 MR. F. DOUCET: Correct.
10 23918 MR. WOLSON: -- 8 December 1994;
11 right?
12 23919 MR. F. DOUCET: Correct.
13 23920 MR. WOLSON: Were they talking then
14 about a three-year consultancy going forward from the
15 Pierre, because that's what it reads?
16 23921 MR. F. DOUCET: I believe so.
17 23922 MR. WOLSON: Okay. And then
18 secondly, you don't mention anywhere in there about
19 Bear Head.
20 23923 MR. F. DOUCET: Again, this was
21 explicit -- implicit, rather, for me right through the
22 piece.
23 23924 MR. WOLSON: About that you are sure?
24 23925 MR. F. DOUCET: Absolutely sure.
25 23926 MR. WOLSON: Then we will move on to

1 Tab 46, please.

2 23927 MR. F. DOUCET: Yes, I'm there.

3 23928 MR. WOLSON: You have another meeting

4 with Mr. Schreiber on February 4, 2000.

5 23929 MR. F. DOUCET: Correct.

6 23930 MR. WOLSON: Had you met with him

7 between the 11th of January and the 4th of February?

8 23931 MR. F. DOUCET: I have no

9 recollection of that.

10 23932 MR. WOLSON: Between the Royal York

11 Hotel meeting that we have just talked about and the

12 mandate meeting?

13 23933 MR. F. DOUCET: I have no

14 recollection.

15 23934 MR. WOLSON: When I refer to the

16 mandate meeting, you understand what I mean?

17 23935 MR. F. DOUCET: Correct.

18 23936 MR. WOLSON: Did you raise with

19 Mr. Schreiber at the January the 11th meeting that you

20 would like to memorialize their relationship, their

21 business relationship, Schreiber's and Mulroney's?

22 23937 MR. F. DOUCET: Not explicitly, no.

23 23938 MR. WOLSON: How did the mandate

24 meeting come about?

25 23939 MR. F. DOUCET: Of my own making.

1 23940 MR. WOLSON: Had you discussed it
2 with Mr. Mulroney?

3 23941 MR. F. DOUCET: Yes. Indeed, after I
4 wrote the mandate that is Tab 46, I read it to
5 Mr. Mulroney before I met with Mr. Schreiber.

6 23942 MR. WOLSON: When did you do that?

7 23943 MR. F. DOUCET: I don't recall
8 exactly when, but it was certainly between the Royal
9 York meeting and the meeting of February the 4th.

10 23944 MR. WOLSON: Did you discuss with
11 Mr. Mulroney what the mandate was?

12 23945 MR. F. DOUCET: What the mandate was?

13 23946 MR. WOLSON: Yes.

14 23947 MR. F. DOUCET: Well, I wrote what I
15 thought the mandate was pursuant to what I had been
16 told it was in my discussions with Mr. Schreiber in the
17 lead-up to the Mirabel meeting and also my discussions
18 with Mr. Mulroney, and I wrote what I thought was the
19 essence of the mandate. And I attempted to do it in a
20 succinct way so as to memorialize it. And I read it,
21 after I wrote it, to Mr. Mulroney.

22 23948 MR. WOLSON: So what you did, then,
23 was you had talked to both of them --

24 23949 MR. F. DOUCET: Yes.

25 23950 MR. WOLSON: -- Schreiber and

1 Mulroney.

2 23951 MR. F. DOUCET: Yes.

3 23952 MR. WOLSON: You had been at the
4 third meeting, the Pierre Hotel?

5 23953 MR. F. DOUCET: Correct.

6 23954 MR. WOLSON: You had observed that
7 meeting?

8 23955 MR. F. DOUCET: Correct.

9 23956 MR. WOLSON: You had talked to
10 Schreiber at least twice, on the 26th of December '99
11 and on the 11th of January of 2000?

12 23957 MR. F. DOUCET: Correct.

13 23958 MR. WOLSON: And you put all of that
14 together and you memorialized your understanding of the
15 mandate?

16 23959 MR. F. DOUCET: Yes. I don't think
17 that the Boxing Day meeting contributed much to what I
18 had there. The things that contributed, as I recall,
19 as far as my knowledge of what the mandate was, was the
20 discussions with Mr. Schreiber pre-Mirabel meeting and
21 the manifestations of the mandate as a result of the
22 report Mr. Mulroney gave at the Pierre meeting.

23 23960 MR. WOLSON: Why did you think a
24 mandate was necessary?

25 23961 MR. F. DOUCET: Well, again --

1 23962 MR. WOLSON: A written mandate.

2 23963 MR. F. DOUCET: Yes. I felt that
3 what was unfurling in the media, particularly The Fifth
4 Estate, that some kind of fishing expedition was on and
5 when I found out through Mr. Mulroney that there had
6 not been a written mandate, I took it upon myself to
7 write it as best I could express it from knowledge.
8 And I suggested to him that it should be memorialized.

9 23964 And I did the same thing, of course,
10 when I met with Mr. Schreiber on February the 4th.

11 23965 MR. WOLSON: What business of it was
12 yours?

13 23966 MR. F. DOUCET: I'm sorry...?

14 23967 MR. WOLSON: What business of it was
15 yours?

16 23968 MR. F. DOUCET: No other than, as I
17 said before, Mr. Schreiber had been a valued client,
18 Mr. Mulroney was a lifelong friend, and I feared that
19 trouble was brewing. And I thought that they should
20 have some kind of a document to memorialize what their
21 work relationship had been.

22 23969 MR. WOLSON: There is no question, I
23 take it, that as between the two your real friendship
24 was Brian Mulroney?

25 23970 MR. F. DOUCET: My real friendship

1 certainly -- with Mr. Mulroney exceeded my friendship
2 with Mr. Schreiber. This had been a lifelong
3 friendship.

4 23971 MR. WOLSON: And you would advocate
5 for your friend Mr. Mulroney without question. He is
6 and has been an important part of your life?

7 23972 MR. F. DOUCET: I would advocate, but
8 I would advocate truthfully.

9 23973 MR. WOLSON: All right. I'm glad you
10 said that because I expect that what you are telling us
11 is the truth.

12 23974 MR. F. DOUCET: Absolutely.

13 23975 MR. WOLSON: All right.

14 23976 Now, what you told me when I
15 interviewed you -- and I just want to run this by you.
16 I will read it to you. You can have it in front of you
17 if you would like.

18 23977 MR. F. DOUCET: It's okay.

19 23978 MR. WOLSON: I will read this to you.

20 23979 Page 219. Let's go back to 218.

21 23980 MR. F. DOUCET: Okay, I am there.

22 23981 MR. WOLSON: Page 218, line 6.

23 23982 MR. F. DOUCET: Yes...?

24 23983 MR. WOLSON: I asked you if you had
25 discussed the issue of the mandate -- I'm going to line

1 3. I asked you if you had discussed the issue of the
2 mandate with Mr. Mulroney.

3 23984 Do you see that?

4 23985 MR. F. DOUCET: Yes.

5 23986 MR. WOLSON: And you indicate the
6 following:

7 "I had asked him if in fact
8 there had been such a document.
9 He had told me 'no', and I told
10 him that it was my advice as a
11 friend that there ought to be
12 something. Even if there wasn't
13 at the time, it ought to be
14 somehow memorialized ---"

15 23987 MR. F. DOUCET: Correct.

16 23988 MR. WOLSON: That is a correct
17 statement?

18 23989 MR. F. DOUCET: That is a correct
19 statement.

20 23990 MR. WOLSON: Line 13:

21 "--- so that there would be
22 something that the parties would
23 agree to that could be put in
24 storage, and if ever needed, it
25 would be there."

1 23991 MR. F. DOUCET: Correct.

2 23992 MR. WOLSON: Line 18:

3 "And Mr. Mulroney thought that

4 was a good idea."

5 23993 MR. F. DOUCET: Correct.

6 23994 MR. WOLSON: Line 21:

7 "I raised it with Mr. Schreiber

8 at one or two of those previous

9 meetings."

10 23995 MR. F. DOUCET: Correct.

11 23996 MR. WOLSON: And then you(sic) say,

12 at page 219, line 2:

13 "--- or the one at the Royal

14 York?"

15 23997 MR. F. DOUCET: Correct.

16 23998 MR. WOLSON: Page 219, line 9:

17 "And I indicated to him at that

18 time what my sense of the

19 mandate was, picking up from

20 particularly the meeting in New

21 York, that it was as the mandate

22 here indicates to provide a

23 watching brief, to develop

24 economic opportunities for car

25 companies being..."

1 23999 MR. F. DOUCET: Mr. Wolson, I think
2 that is a misprint. I think it's "for your companies",
3 being Schreiber's companies.

4 24000 MR. WOLSON: All right. Instead of
5 "car":
6 "... your companies being
7 Schreiber's companies, including
8 travel abroad, et cetera, as you
9 have before you.
10 And that's how this document
11 came to be prepared."

12 24001 And then you say this at line 23:
13 "I sensed that there was a lot
14 of ambiguity about what the
15 assignment was, a lot of
16 innuendo and as far as some
17 media were concerned, they
18 appeared to be on a fishing trip
19 that would lead to no good."

20 24002 That's a true statement?

21 24003 MR. F. DOUCET: Correct.

22 24004 MR. WOLSON: What was the ambiguity?

23 24005 MR. F. DOUCET: Well, I think as I
24 saw it, the ambiguity was what in fact the relationship
25 had been. What was Mr. Mulroney doing for

1 Mr. Schreiber?

2 24006 MR. WOLSON: This was in 1999.

3 24007 MR. F. DOUCET: I'm sorry...?

4 24008 MR. WOLSON: This was in late '99,
5 early 2000.

6 24009 MR. F. DOUCET: Correct.

7 24010 MR. WOLSON: Mr. Schreiber had not
8 stated publicly anything about the matter publicly, at
9 least in the media.

10 24011 MR. F. DOUCET: Not that I recall.

11 24012 MR. WOLSON: Mr. Mulroney had not
12 gone public about the relationship with Schreiber. As
13 a matter of fact, in 1996 at his discovery he indicated
14 he had no dealings with Schreiber.

15 24013 MR. F. DOUCET: I haven't reviewed
16 those documents.

17 24014 MR. WOLSON: Let me ask you this,
18 then: Where was the ambiguity?

19 24015 MR. F. DOUCET: Well, the ambiguity
20 as far as I was concerned came out in what was in The
21 Fifth Estate discussions, as I saw it at least.

22 24016 MR. WOLSON: They had talked in '99,
23 The Fifth Estate, about a Britan account.

24 24017 MR. F. DOUCET: Yes.

25 24018 MR. WOLSON: As a matter of fact, we

1 can go to that. It is at Tab 42.

2 24019 I think what you are referring to is

3 the seventh page of Tab 42.

4 24020 MR. F. DOUCET: Is this in Book --

5 24021 MR. WOLSON: Book 1.

6 24022 MR. F. DOUCET: Tab...?

7 24023 MR. WOLSON: Tab 42, if you would,

8 please, Mr. Doucet.

9 24024 MR. F. DOUCET: Yes, I'm there.

10 24025 MR. WOLSON: And if you turn to the

11 seventh page -- it should be marked on top.

12 24026 MR. F. DOUCET: Yes.

13 24027 MR. WOLSON: Are you referring to

14 this part of the Fifth Estate show? And that Fifth

15 Estate show was October 20, '99. We have looked at it

16 before.

17 24028 The second paragraph:

18 "July 26th Schreiber transferred

19 \$500,000..."

20 24029 MR. F. DOUCET: I'm sorry, I'm not

21 with you.

22 24030 MR. WOLSON: Page 7, the second

23 paragraph from the top.

24 24031 MR. F. DOUCET: Starting "June 13,

25 1993"?

1 24032 MR. WOLSON: Yes.

2 24033 MR. F. DOUCET: Yes.

3 24034 MR. WOLSON: If you just look in
4 three lines down:
5 "July 26th Schreiber
6 transferred..."

7 24035 MR. F. DOUCET: Yes.

8 24036 MR. WOLSON:
9 "... \$500,000 from that
10 Frankfurt sub-account..."

11 24037 MR. F. DOUCET: Correct.

12 24038 MR. WOLSON:
13 "... into a new Canadian dollar
14 sub-account, with the number..."

15 24039 And there is a number there.

16 24040 MR. F. DOUCET: Yes.

17 24041 MR. WOLSON:
18 "... and the code-name
19 'Britan.'"

20 24042 MR. F. DOUCET: Yes.

21 24043 MR. WOLSON:
22 "The next day someone withdrew
23 more than \$100,000 in cash.
24 Then there was another \$100,000
25 cash withdrawal three months

1 later, and the following year,
2 another \$100,000, in cash."
3 24044 MR. F. DOUCET: Correct.
4 24045 MR. WOLSON: Is that what you were
5 referring to, the story that was brewing?
6 24046 MR. F. DOUCET: Well, certainly that
7 would be at the heart of it.
8 24047 MR. WOLSON: And then you will see in
9 the next paragraph that Schreiber wouldn't talk about
10 who the Britan account was.
11 "Have you anything at all to say
12 about the 'Britan' account?
13 Anything at all to say about
14 this 'Britan' account, Mr.
15 Schreiber? Can you tell us why
16 you had code-named accounts
17 naming Canadians, Mr. Schreiber?
18 You don't want to speak to us?"
19 24048 MR. F. DOUCET: Correct.
20 24049 MR. WOLSON: So he's not talking.
21 24050 MR. F. DOUCET: No.
22 24051 MR. WOLSON: But your concern is he
23 is talking behind the scenes.
24 24052 MR. F. DOUCET: Yes.
25 24053 MR. WOLSON: So is that the ambiguity

1 that you thought was out there? Is that what you mean
2 by that?

3 24054 MR. F. DOUCET: Certainly that was at
4 the heart of it.

5 24055 MR. WOLSON: Okay. Then if you would
6 go back to Tab 46, if you would turn that up, please.

7 24056 MR. F. DOUCET: Tab 46 of...?

8 24057 MR. WOLSON: Same book. The same
9 book you were in before.

10 24058 MR. F. DOUCET: Yes.

11 24059 MR. WOLSON: Book 1.

12 24060 MR. F. DOUCET: Yes, I'm there.

13 24061 MR. WOLSON: There are four documents
14 which are contained in Tab 46. The first document is a
15 blank, what I will refer to as a blank document with
16 just some typing on it.

17 24062 MR. F. DOUCET: Correct.

18 24063 MR. WOLSON: That's typing that you
19 created or had created.

20 24064 MR. F. DOUCET: Correct.

21 24065 MR. WOLSON: And it was to represent
22 the mandate as between the two parties?

23 24066 MR. F. DOUCET: Correct.

24 24067 MR. WOLSON: The second document is a
25 document that has writing on it.

1 24068 MR. F. DOUCET: Correct.

2 24069 MR. WOLSON: And I'm assuming that
3 you had written on there the date "Feb 4/00"?

4 24070 MR. F. DOUCET: Yes, that's my
5 handwriting.

6 24071 MR. WOLSON: "93/94, 94/95, 95/96",
7 top right hand corner.

8 24072 MR. F. DOUCET: That's my
9 handwriting.

10 24073 MR. WOLSON: And that refers to the
11 years that the mandate was to cover? Or what does it
12 refer to?

13 24074 MR. F. DOUCET: I do believe that's
14 what it -- that's what it is there for.

15 24075 MR. WOLSON: Then you have
16 underneath:
17 "To provide a watching brief to
18 develop economic opportunities
19 for our country(sic)..."

20 24076 MR. F. DOUCET: For our -- sorry,
21 "for our companies".

22 24077 MR. WOLSON: You're right, I misread.
23 "... for our companies..."

24 24078 And then you have underneath A, B and
25 C noted. Is that your writing?

1 24079 MR. F. DOUCET: I believe so.

2 24080 MR. WOLSON: And A, B, C, were to
3 represent the companies that were part of the mandate
4 on behalf of Mr. Schreiber?

5 24081 MR. F. DOUCET: If indeed there were
6 A, B, C's or it could be --

7 24082 MR. WOLSON: Well, they must have
8 told you, otherwise you wouldn't have put it in.

9 24083 MR. F. DOUCET: Yes. You will notice
10 from the previous page it is a blank.

11 24084 MR. WOLSON: Yes.

12 24085 MR. F. DOUCET: Here I am presumably
13 going over the mandate with him --

14 24086 MR. WOLSON: I understand.

15 24087 MR. F. DOUCET: Okay.

16 24088 MR. WOLSON: And he must have told
17 you there were three mandating companies.

18 24089 MR. F. DOUCET: Well --

19 24090 MR. WOLSON: Why else would you put
20 an A, B, C?

21 24091 MR. F. DOUCET: Yes.

22 24092 MR. WOLSON: Is that right?

23 24093 MR. F. DOUCET: I'm not sure if
24 that's right.

25 24094 MR. WOLSON: Okay.

1 24095 MR. F. DOUCET: I'm not --

2 24096 MR. WOLSON: All right.

3 24097 MR. F. DOUCET: I'm not sure that the

4 A, B and C refers -- I think the A, B and C were put

5 there by me as I was exposing the mandate to him, and I

6 would have started reading this and say of our

7 companies "A", "B" and "C" and I probably wrote A, B

8 and C in there, without knowing if ultimately what he

9 was then going to tell me would be one, two, three,

10 four companies, whatever.

11 24098 MR. WOLSON: All right. Then let's

12 leave out the amount for the moment.

13 24099 MR. F. DOUCET: Yes.

14 24100 MR. WOLSON: Then there is the word

15 "Bayerische".

16 24101 MR. F. DOUCET: Yes.

17 24102 MR. WOLSON: I think it's pronounced

18 "Bayerische or whatever other companies I name".

19 24103 Whose handwriting is that?

20 24104 MR. F. DOUCET: That's my

21 handwriting.

22 24105 MR. WOLSON: And below that is

23 "Bayerische Bitumen Chemie".

24 24106 MR. F. DOUCET: That is

25 Mr. Schreiber's handwriting.

1 24107 MR. WOLSON: And then to the right of
2 "Chemie" is a larger "Chemie".

3 24108 MR. F. DOUCET: Correct.

4 24109 MR. WOLSON: Whose writing is that?

5 24110 MR. F. DOUCET: That is
6 Mr. Schreiber's handwriting.

7 24111 MR. WOLSON: Likely because you
8 couldn't read "Chemie" as he wrote it?

9 24112 MR. F. DOUCET: I couldn't -- I had
10 difficulty understanding the German "Bayerische" in the
11 first place, but certainly in the case of "Chemie" I
12 couldn't make out what it was. So I asked him if he
13 would write down what he had just told me and he did.

14 24113 MR. WOLSON: For the record,
15 "Bayerische" is B-A-Y-E-R-I-S-C-H-E. "Bitumen" is
16 B-I-T-U-M-E-N and "Chemie" is C-H-E-M-I-E.

17 24114 Below that is "Kautering"?

18 24115 MR. F. DOUCET: Yes.

19 24116 MR. WOLSON: Whose handwriting?

20 24117 MR. F. DOUCET: That's his,
21 Mr. Schreiber's handwriting.

22 24118 MR. WOLSON: And that is the name of
23 a -- you are familiar with Kautering. That is the area
24 of Germany where Schreiber comes from.

25 24119 MR. F. DOUCET: I don't think I was

1 at the time.

2 24120 MR. WOLSON: Had you ever been there,
3 to Schreiber's?

4 24121 MR. F. DOUCET: I had never been
5 there.

6 24122 MR. WOLSON: Okay.
7 24123 And below that is "Bitucan Calgary".

8 24124 MR. F. DOUCET: That is
9 Mr. Schreiber's handwriting.

10 24125 MR. WOLSON: And there is a star
11 beside Bayerische and beside Bitucan.

12 24126 MR. F. DOUCET: Correct.

13 24127 MR. WOLSON: Who did that?

14 24128 MR. F. DOUCET: I did that.

15 24129 MR. WOLSON: Why?

16 24130 MR. F. DOUCET: Because ultimately he
17 told me that the mandating companies were Bayerische,
18 if I'm pronouncing it right, and Bitucan Calgary and
19 any other company that may be appropriate.

20 24131 MR. WOLSON: Okay. When did he put
21 those markings Bayerische, Bitumen Chemie, Kautering
22 and Bitucan Calgary? When did he put those on the
23 document?

24 24132 MR. F. DOUCET: At the meeting.

25 24133 MR. WOLSON: Is that how they got

1 there, by him putting them there in your presence?

2 24134 MR. F. DOUCET: Absolutely.

3 24135 MR. WOLSON: So when he says that

4 when he left he had just the blank document, that's not

5 so?

6 24136 MR. F. DOUCET: I'm not saying that.

7 He may have left with the blank document because I had

8 a document and I gave him one. These would have been

9 the blank documents.

10 24137 MR. WOLSON: So what you are saying

11 is, so we get it on the record, the first page of Tab

12 46 is the blank document.

13 24138 MR. F. DOUCET: Correct.

14 24139 MR. WOLSON: And that's what you are

15 referring to, as that he had one and you had one?

16 24140 MR. F. DOUCET: Correct.

17 24141 MR. WOLSON: Then there was a third

18 one.

19 24142 MR. F. DOUCET: No.

20 24143 MR. WOLSON: All right. So your

21 document was written on?

22 24144 MR. F. DOUCET: Correct.

23 24145 MR. WOLSON: He may have taken the

24 blank document away with him, which is the first

25 document in the package.

1 24146 MR. F. DOUCET: I don't doubt that he
2 did, because I didn't make a copy of it at the meeting.

3 24147 MR. WOLSON: Okay. So the second
4 document with the writing on it --

5 24148 MR. F. DOUCET: Yes...?

6 24149 MR. WOLSON: -- that occurred where?

7 24150 MR. F. DOUCET: At our meeting.

8 24151 MR. WOLSON: Where was the meeting?

9 24152 MR. F. DOUCET: In our boardroom.

10 24153 MR. WOLSON: Of your office?

11 24154 MR. F. DOUCET: Well, kitty corner to
12 my office, yes.

13 24155 MR. WOLSON: All right. In a
14 boardroom you had access to?

15 24156 MR. F. DOUCET: Absolutely.

16 24157 MR. WOLSON: And that document that
17 we are looking at now, the second in the package, is a
18 document that was made in your presence, in Schreiber's
19 presence, in your boardroom?

20 24158 MR. F. DOUCET: Absolutely.

21 24159 MR. WOLSON: There is not one iota
22 doubt?

23 24160 MR. F. DOUCET: Not one iota of a
24 doubt.

25 24161 MR. WOLSON: Okay. And continuing on

1 at the bottom of the document on the left-hand side,
2 the initials "B.M."

3 24162 MR. F. DOUCET: That's I think my
4 handwriting.

5 24163 MR. WOLSON: And then there is an
6 arrow pointing to it from "F.D.C.I."

7 24164 MR. F. DOUCET: Well, I'm not sure if
8 it's pointing from it, but I see the arrow.

9 24165 MR. WOLSON: Pointing to it, from
10 "F.D.C.I." to the initials "B.M."

11 24166 MR. F. DOUCET: Correct. I see that.

12 24167 MR. WOLSON: Whose writing is
13 "F.D.C.I."

14 24168 MR. F. DOUCET: That's my
15 handwriting.

16 24169 MR. WOLSON: And then to the right
17 there is an initial. I don't know what -- the second
18 letter is "h". Is the first letter supposed to be a
19 "K"?

20 24170 MR. F. DOUCET: I'm not sure. I
21 think it's my -- if it's my handwriting, I think that's
22 a "T".

23 24171 MR. WOLSON: "Th" --

24 24172 MR. F. DOUCET: I think.

25 24173 MR. WOLSON: -- Thyssen.

1 24174 MR. F. DOUCET: I don't know.

2 24175 MR. WOLSON: "Th" for Thyssen?

3 24176 MR. F. DOUCET: It could be or it

4 struck me when I was reviewing this that it could

5 have -- that I was maybe going to write "Th" to the

6 "The" which is the first word of item 3.

7 24177 I don't know.

8 24178 MR. WOLSON: Okay. We'll get to the

9 items now then.

10 24179 MR. F. DOUCET: Okay.

11 24180 MR. WOLSON: So "B.M." was to

12 represent Brian Mulroney?

13 24181 MR. F. DOUCET: Yes, I'm sure.

14 24182 MR. WOLSON: "F.D.C.I." is your

15 company?

16 24183 MR. F. DOUCET: My company.

17 24184 MR. WOLSON: Fred Doucet Consulting

18 Inc.?

19 24185 MR. F. DOUCET: Correct.

20 24186 MR. WOLSON: Where is Schreiber's

21 initial?

22 24187 MR. F. DOUCET: Those are not

23 intended to be initials.

24 24188 MR. WOLSON: What are they intended

25 to be?

1 24189 MR. F. DOUCET: I have no idea. They
2 are --

3 24190 MR. WOLSON: You made the document.

4 24191 MR. F. DOUCET: Yes.

5 24192 MR. WOLSON: All right. You don't
6 know why you did that?

7 24193 MR. F. DOUCET: I don't know why I
8 did that.

9 24194 I do know that it was not my
10 intention to get any signatures on this. There were no
11 blanks for signatures. There were blanks for the other
12 important items. It was not intended to be a legal
13 document, purely a memorialization of an event.

14 24195 MR. WOLSON: You know that
15 Schreiber's view is that he refused to sign. Is it
16 your evidence that you never asked him to sign?

17 24196 MR. F. DOUCET: I never asked him to
18 sign.

19 24197 MR. WOLSON: And his evidence is that
20 the markings on the document weren't there when he left
21 your office.

22 24198 MR. F. DOUCET: That is false.

23 24199 MR. WOLSON: All right. I am putting
24 his evidence to you because you should know that.

25 24200 MR. F. DOUCET: Absolutely.

1 24201 MR. WOLSON: All right. On the
2 right-hand side, near the bottom, there are three
3 points, 1, 2 and 3. Whose writing is that?

4 24202 MR. F. DOUCET: That is my
5 handwriting.

6 24203 MR. WOLSON: Under No. 1, "The
7 mandate is accurate"?

8 24204 MR. F. DOUCET: Yes.

9 24205 MR. WOLSON: No. 2, "The two
10 companies were Bayerische and Bitucan Calgary and any
11 other companies that may be appropriate."

12 24206 MR. F. DOUCET: Correct.

13 24207 MR. WOLSON: No. 3, "The amount paid
14 over the 3 years was \$250,000."

15 24208 MR. F. DOUCET: Correct.

16 24209 MR. WOLSON: And beside that are the
17 initials -- something "H", whether it's a "T" -- it
18 would be an awfully weak "K", I would think.

19 24210 You think it's a "T".

20 24211 MR. F. DOUCET: I believe so.

21 24212 MR. WOLSON: And you think that the
22 "TH" may refer to, after the number 3, the word "The".

23 24213 MR. F. DOUCET: I really don't know
24 for sure.

25 24214 MR. WOLSON: All right. I want to go

1 now to the document itself, the writing on it.

2 24215 MR. F. DOUCET: Yes.

3 24216 MR. WOLSON: "To provide a watching
4 brief," is the typing that you had done; right?

5 24217 MR. F. DOUCET: Correct.

6 24218 MR. WOLSON:
7 "To provide a watching brief to
8 develop economic opportunities
9 for our companies..."

10 24219 Right?

11 24220 MR. F. DOUCET: Yes, correct.

12 24221 MR. WOLSON: Which companies of Mr.
13 Mulroney's are we talking about?

14 24222 MR. F. DOUCET: No, Schreiber's
15 companies.

16 24223 MR. WOLSON: Schreiber's companies.

17 24224 MR. F. DOUCET: Correct.

18 24225 MR. WOLSON: Okay.
19 "...for our companies, including
20 travelling abroad to meet with
21 government and private sector
22 leaders to assist in opening new
23 markets for our products and to
24 report regularly to us in this
25 regard. In this context,

1 priority should be given to
2 opportunities relating to
3 Canadian based manufacturing of
4 peace keeping and/or peace
5 making military equipment in
6 view of Canada's prominence in
7 this area."

8 24226 MR. F. DOUCET: Correct.

9 24227 MR. WOLSON:
10 "The mandate will be for a
11 period of three years. The fee
12 to cover services and expenses
13 is set at..."

14 24228 -- and there is writing there.

15 24229 MR. F. DOUCET: Yes.

16 24230 MR. WOLSON: It says \$250,000.

17 24231 MR. F. DOUCET: Correct.

18 24232 MR. WOLSON: Just above that there is
19 the start of some writing, which is scratched out.

20 24233 MR. F. DOUCET: Yes.

21 24234 MR. WOLSON: And there is an X for
22 the period.

23 24235 MR. F. DOUCET: Yes.

24 24236 I think, Mr. Wolson, that the X is
25 there for the same reason as the A, B and C are there.

1 That was, in talking about the document, when I started
2 to write the number -- when he told me what the number
3 was, I sensed that it wouldn't fit in that line, so I
4 wrote it below.

5 24237 Because, I think, if you look under
6 the scratch, it starts with -- I think that is "25".

7 24238 MR. WOLSON: All right. So the
8 amount was \$250,000 for the three-year period.

9 24239 MR. F. DOUCET: Correct.

10 24240 MR. WOLSON: Who gave you that
11 amount?

12 24241 MR. F. DOUCET: Mr. Schreiber.

13 24242 MR. WOLSON: What amount did Mr.
14 Mulroney give you?

15 24243 MR. F. DOUCET: Mr. Mulroney never
16 gave me an amount.

17 24244 MR. WOLSON: But you read to him the
18 document that you were going to provide to Mr.
19 Schreiber.

20 24245 MR. F. DOUCET: When I read it, it
21 was blank.

22 24246 MR. WOLSON: I understand that, but
23 wouldn't you have said to him: What is the amount of
24 money?

25 24247 MR. F. DOUCET: I did not.

1 24248 MR. WOLSON: But you told the
2 Commissioner that when you prepared this document, you
3 prepared it based on your own recollection --

4 24249 MR. F. DOUCET: Yes.

5 24250 MR. WOLSON: -- based on what Mr.
6 Schreiber had told you --

7 24251 MR. F. DOUCET: Yes.

8 24252 MR. WOLSON: -- and based on what Mr.
9 Mulroney had told you.

10 24253 MR. F. DOUCET: Correct.

11 24254 MR. WOLSON: Well, surely, you would
12 have said to Mulroney, "What is the amount," and then
13 you would say to Schreiber, "What is the amount," and
14 you would write the amount in.

15 24255 MR. F. DOUCET: That's not the way it
16 happened.

17 24256 MR. WOLSON: So the 250 refers to a
18 number that Schreiber gave you.

19 24257 MR. F. DOUCET: Absolutely.

20 24258 MR. WOLSON: Just for completeness --
21 I am going to come back to that number in a minute, but
22 just for completeness, the next document in the book is
23 a document that has more writing on it than Document 2
24 that we had referred to.

25 24259 Do you see that?

1 24260 MR. F. DOUCET: I do.

2 24261 MR. WOLSON: At the top it says:

3 "Meeting Oct. 22/07 - call to Doucet."

4 24262 Do you see that?

5 24263 MR. F. DOUCET: I do.

6 24264 MR. WOLSON: Whose writing is that?

7 24265 MR. F. DOUCET: I am not certain. It

8 could be --

9 24266 Could it be my lawyer? I don't know.

10 24267 MR. WOLSON: Could it be Mr.

11 Mulroney?

12 24268 Did you provide him a copy?

13 24269 MR. F. DOUCET: I provided him a copy

14 around the time of the Ethics Committee meeting.

15 24270 MR. WOLSON: All right. The Ethics

16 Committee meeting was, I think he testified, around

17 December 13th of 2007.

18 24271 MR. F. DOUCET: Correct.

19 24272 MR. WOLSON: If this date of October

20 22 is an accurate date, that would be in close

21 proximity -- obviously we can all count the number of

22 days, but in close proximity to his December

23 appearance.

24 24273 MR. F. DOUCET: Yes.

25 24274 MR. WOLSON: Did you provide this

1 document to him?

2 24275 MR. F. DOUCET: I am not sure if I
3 provided it to him or if it was done through the
4 lawyers, but I know that it was provided.

5 24276 MR. WOLSON: Okay. He had it.

6 24277 MR. F. DOUCET: He had it.

7 24278 MR. WOLSON: Did you talk to him
8 about it in `07?

9 24279 MR. F. DOUCET: In the discussions
10 prior to the Ethics Committee meeting I did.

11 24280 MR. WOLSON: You talked about the
12 document.

13 24281 MR. F. DOUCET: I did.

14 24282 MR. WOLSON: The other writing that
15 is on this document -- on the left-hand side there are
16 some initials, I think they are "K.S.", pointing to
17 "250" or "Bayerische".

18 24283 Do you see that?

19 24284 MR. F. DOUCET: Yes, I do.

20 24285 MR. WOLSON: And then "K.S." -- whose
21 writing is that?

22 24286 MR. F. DOUCET: I really don't know.
23 24287 This document appeared reasonably
24 recently. It was not in my possession ever.

25 24288 MR. WOLSON: I think we got this from

1 Mr. Mulroney.

2 24289 MR. F. DOUCET: Possibly.

3 24290 MR. WOLSON: Then I will reserve my
4 questions --

5 24291 MR. F. DOUCET: Sure.

6 24292 MR. WOLSON: If you don't know
7 anything about the writing, I will reserve my questions
8 for him.

9 24293 MR. F. DOUCET: Okay.

10 24294 MR. WOLSON: Just for the sake of
11 completeness, if you turn the page, the last document
12 is a copy of the document that was before the Ethics
13 Committee, with some writing on it.

14 24295 MR. F. DOUCET: I see that, yeah.

15 24296 MR. WOLSON: Where did you get -- and
16 we will go to Document 1 or 2, which you prepared --

17 24297 Let's go to Document 2. You prepared
18 the typing part of it, and your writing and Schreiber's
19 writing appear on the document.

20 24298 MR. F. DOUCET: Correct.

21 24299 MR. WOLSON: There is no other
22 writing on that document?

23 24300 MR. F. DOUCET: There is no other
24 writing on the document.

25 24301 MR. WOLSON: Your evidence is that it

1 occurred in a meeting on Feb. 4, 2000. You presented
2 this document to Schreiber, he read it, he put some
3 writing on the document, you put some writing on the
4 document, and that ended it.

5 24302 MR. F. DOUCET: And I put it away.

6 24303 MR. WOLSON: And you met at your
7 office. Why didn't you copy it for Mr. Schreiber?

8 24304 MR. F. DOUCET: In retrospect, I
9 probably should have. I just -- I presumed that he
10 knew everything that filled the blanks, since I was
11 relying on his information to fill them.

12 24305 MR. WOLSON: All right. Let's look
13 at the typed portion again.

14 "...including travelling abroad
15 to meet with government and
16 private sector leaders to assist
17 in opening new markets for our
18 products and to report regularly
19 to us in this regard."

20 24306 Who does that come from?

21 24307 MR. F. DOUCET: That's my writing.

22 24308 MR. WOLSON: I understand that you
23 typed it, but where does that information come from?

24 24309 MR. F. DOUCET: It comes from my
25 reflections on what I had taken the mandate to have

1 been.

2 24310 MR. WOLSON: From talking to each of
3 them and being present at the meeting at The Pierre.

4 24311 MR. F. DOUCET: Correct.

5 24312 MR. WOLSON: "Reporting regularly to
6 us in this regard."

7 24313 How many reports were there, to your
8 knowledge?

9 24314 MR. F. DOUCET: The only two that I
10 am aware of, and one is -- I am not absolutely certain,
11 was the one in Montreal --

12 24315 MR. WOLSON: There were two in
13 Montreal, there was the Mirabel and the Queen
14 Elizabeth.

15 24316 MR. F. DOUCET: Yeah.

16 24317 MR. WOLSON: They are both Montreal?

17 24318 MR. F. DOUCET: I think that the
18 Mirabel one began the mandate --

19 24319 MR. WOLSON: Yes.

20 24320 MR. F. DOUCET: -- but the first
21 reporting on it, as best I can recall -- and I don't
22 have direct evidence of this -- would have been at the
23 Montreal meeting in, I believe, December of that year.

24 24321 MR. WOLSON: The Queen Elizabeth
25 meeting?

1 24322 MR. F. DOUCET: The Queen Elizabeth
2 meeting --

3 24323 MR. WOLSON: But you were not at the
4 meeting.

5 24324 MR. F. DOUCET: -- and I was not at
6 that meeting.

7 24325 MR. WOLSON: But you were told of the
8 meeting from Mr. Mulroney.

9 24326 MR. F. DOUCET: I recall being given
10 a report, yeah.

11 24327 Not an extensive one, but at least
12 having said to me: We met and we talked about our
13 mandate.

14 24328 MR. WOLSON: Okay. You recall that
15 today.

16 24329 MR. F. DOUCET: I recall some -- and
17 I think I recorded it somewhere.

18 24330 MR. WOLSON:
19 "In this context, priority..."

20 24331 I am going back now to the document.
21 "In this context, priority
22 should be given to opportunities
23 relating to Canadian based
24 manufacturing of peace keeping
25 and/or peace making military

1 equipment in view of Canada's
2 prominence in this area."
3 24332 MR. F. DOUCET: Yes.
4 24333 MR. WOLSON: Is the prominence
5 related to the production of the vehicle, or to
6 peacekeeping?
7 24334 MR. F. DOUCET: To peacekeeping.
8 24335 MR. WOLSON: Because there was no
9 production by Thyssen.
10 24336 MR. F. DOUCET: Correct.
11 24337 MR. WOLSON: Did you know that the
12 money that was paid by Schreiber to Mulroney -- it says
13 250 -- did you know that it was paid in cash?
14 24338 MR. F. DOUCET: I did not know that.
15 24339 MR. WOLSON: You told me -- and I
16 will refer you to it. It is page 225 of my interview
17 with you.
18 24340 MR. F. DOUCET: Yes, I am there.
19 24341 MR. WOLSON: If you go to page 225 --
20 24342 MR. F. DOUCET: I am there.
21 24343 MR. WOLSON: -- line 18 --
22 24344 MR. F. DOUCET: Yes.
23 24345 MR. WOLSON: -- you said to me:
24 "...Mr. Schreiber had given me
25 to understand that these were

1 the companies that were the
2 mandating companies and I told
3 him that the amount of money to
4 be paid was \$250,000."

5 24346 You are talking now that you told
6 this to Mr. Mulroney.

7 24347 MR. F. DOUCET: Yes, that's correct.

8 24348 MR. WOLSON: "I didn't ask him,"
9 meaning Mr. Mulroney, "if it was accurate or not."

10 24349 MR. F. DOUCET: Correct.

11 24350 MR. WOLSON: So you actually told Mr.
12 Mulroney, after this document was effected, that the
13 amount of fees to cover services and expenses was
14 \$250,000.

15 24351 You told Mr. Mulroney what Schreiber
16 had told you.

17 24352 MR. F. DOUCET: I did.

18 24353 MR. WOLSON: And just to be sure, at
19 page 226 --

20 24354 MR. F. DOUCET: Yes, I am there.

21 24355 MR. WOLSON: Or, at least, the bottom
22 of 225, line 25:
23 "I just reported faithfully on
24 what Mr. Schreiber had told me."

25 24356 MR. F. DOUCET: Correct.

1 24357 MR. WOLSON: In other words, you
2 reported to Mr. Mulroney, after this document had been
3 effected --

4 24358 MR. F. DOUCET: Yes.

5 24359 MR. WOLSON: -- that the amount of
6 money that Schreiber said was involved was the amount
7 of \$250,000.

8 24360 MR. F. DOUCET: Correct.

9 24361 MR. WOLSON: Then I asked you this
10 question, at page 226, line 2:
11 "And he [meaning Mulroney] made
12 no changes."
13 24362 I will read it precisely.
14 "And he made no changes, Mr.
15 Mulroney?
16 MR. DOUCET: He made no
17 suggestions. He just -- he
18 said, 'That's fine. That's
19 okay.'"
20 24363 Right?
21 24364 MR. F. DOUCET: That's my
22 recollection of what he said, yes.

23 24365 MR. WOLSON: And I said to you at
24 line 7:
25 "...tell me when that was

1 approximately in relation to
2 February 4th..."

3 24366 That is, when you told Mr. Mulroney
4 this.

5 24367 You understood that; right?

6 24368 MR. F. DOUCET: Correct, yes.

7 24369 MR. WOLSON: You said, referring to
8 page 226, line 10 of your interview:
9 "I would guess that it was
10 probably in the days that
11 followed."

12 24370 MR. F. DOUCET: Correct.

13 24371 MR. WOLSON: I said:
14 "Okay, fair enough. So sometime
15 in February of 2000?"

16 24372 Your answer is: "Correct, yeah."

17 24373 MR. F. DOUCET: Correct.

18 24374 MR. WOLSON: I have read that
19 accurately?

20 24375 MR. F. DOUCET: Yes, you have.

21 24376 MR. WOLSON: Let's move on, please,
22 to Tab 47.

23 24377 MR. F. DOUCET: Correct, I'm there.

24 24378 MR. WOLSON: Tab 47 is your summary
25 of all of the events leading up to August 27, 2000.

1 Right?

2 24379 MR. F. DOUCET: Correct.

3 24380 MR. WOLSON: And, again, you
4 memorialized this on that date, August 27, 2000, to
5 have some written document to work as an aid to your
6 memory.

7 24381 MR. F. DOUCET: Correct.

8 24382 MR. WOLSON: "Background:
9 To the best of my recollections
10 I have known Karlheinz Schreiber
11 (K.S.) since 1988 when I met
12 him...at a G.C.I. party. He was
13 introduced to me by Frank Moores
14 as I recall."

15 24383 Similar to what you told us
16 yesterday, that you met him at some social function.

17 24384 MR. F. DOUCET: Correct.

18 24385 MR. WOLSON:
19 "During the period 1990, 1991,
20 1992, my consulting company
21 (F.D.C.I.) had an ongoing
22 arrangement with a K.S. company
23 (Bitucan) to provide assistance
24 with a project (Bearhead
25 project)."

1 24386 But that's not accurate, is it?

2 24387 MR. F. DOUCET: That is not accurate.

3 24388 MR. WOLSON: Why did you make that

4 note?

5 24389 MR. F. DOUCET: I'm sorry, why --

6 24390 MR. WOLSON: Why did you put that

7 there?

8 24391 MR. F. DOUCET: I believed it to be

9 correct at the time, and I would like to explain.

10 24392 MR. WOLSON: Please do.

11 24393 MR. F. DOUCET: I was relying on my

12 filings with the lobby registry, which filings became

13 compulsory when the law was proclaimed, I believe, in

14 the fall of 1989.

15 24394 Relying on that, my best recall at

16 the time of writing this on August 27, '00, was that my

17 consultancy would have begun at that time.

18 24395 MR. WOLSON: So even then, in August

19 of 2000 --

20 24396 MR. F. DOUCET: Yes.

21 24397 MR. WOLSON: -- nine years back from

22 today --

23 24398 MR. F. DOUCET: Correct.

24 24399 MR. WOLSON: -- even then you didn't

25 recall a 1988 \$90,000 cheque.

1 24400 MR. F. DOUCET: That's correct.

2 24401 MR. WOLSON: "Events Post 1992:
3 1. As best as I can recall in
4 late summer of 1993 K.S. called
5 me..."

6 24402 "K.S." is Karlheinz Schreiber; right?

7 24403 MR. F. DOUCET: Correct.

8 24404 MR. WOLSON:
9 "...to discuss with me whether I
10 could arrange a meeting between
11 himself and Brian Mulroney
12 (B.M.) to discuss the prospects
13 of a consulting assignment
14 involving international
15 representations and watching
16 brief for corporate
17 opportunities involving
18 companies in which K.S. had an
19 interest."

20 24405 MR. F. DOUCET: Correct.

21 24406 MR. WOLSON: Nothing about Bear Head
22 there.

23 24407 MR. F. DOUCET: Well, certainly, the
24 implication, for me at least, was in the sentence --
25 going back:

1 "...Brian Mulroney...to discuss
2 the prospects of a consulting
3 assignment involving
4 international
5 representations..."

6 24408 Clearly that was Bear Head.

7 24409 MR. WOLSON: So that was a given.

8 24410 MR. F. DOUCET: That was a given
9 throughout the piece.

10 24411 MR. WOLSON: Okay. Then you talk in
11 Point 2 about the Mirabel meeting.

12 24412 MR. F. DOUCET: Correct.

13 24413 MR. WOLSON: You talk in Point 3:
14 "Subsequent to the Mirabel
15 meeting B.M. informed me that he
16 and K.S. had concluded an
17 arrangement for an initial
18 period of three years whereby
19 B.M. through his consulting
20 company would provide a watching
21 brief and, if and where
22 appropriate, make inquiries or
23 representations in the
24 international arena regarding
25 corporate opportunities that

1 could be of interest to K.S. It
2 was also confirmed that B.M.
3 would provide reports as
4 appropriate."
5 24414 MR. F. DOUCET: Correct.
6 24415 MR. WOLSON: When you prepared this
7 document, did you use your previous notes which you had
8 memorialized to aid your memory?
9 24416 MR. F. DOUCET: I would expect that I
10 did. I have no particular recall, but I would expect
11 that I did.
12 24417 MR. WOLSON: And Point 4:
13 "I am aware that a meeting was
14 held in Montreal in early 1994
15 between K.S. and B.M. pursuant
16 to the above consultancy. (I do
17 not recall if I arranged this
18 meeting...)"
19 24418 That would be the QE meeting.
20 24419 MR. F. DOUCET: Yes, I think I am
21 wrong on the date.
22 24420 MR. WOLSON: I understand, but that
23 is the QE meeting, obviously.
24 24421 MR. F. DOUCET: Correct.
25 24422 MR. WOLSON: It is, because you

1 talked of Mirabel earlier.

2 24423 MR. F. DOUCET: Correct.

3 24424 MR. WOLSON: So it has to be the QE.

4 24425 MR. F. DOUCET: Correct.

5 24426 MR. WOLSON:

6 "But I recall B.M.'s report on

7 it to me."

8 24427 That's what you said a few moments

9 ago --

10 24428 MR. F. DOUCET: Yes.

11 24429 MR. WOLSON: -- that, while you

12 weren't at the meeting, you got a briefing from Brian

13 Mulroney.

14 24430 MR. F. DOUCET: Probably that is

15 overstating it.

16 24431 MR. WOLSON: Well, you got some

17 information from him.

18 24432 MR. F. DOUCET: Yeah, he indicated

19 that he had met with Mr. Schreiber, or was meeting with

20 Mr. Schreiber. I am not sure if it was before or after

21 the meeting.

22 24433 MR. WOLSON: All right. Then, at

23 Point 5, you talk about the `94 New York meeting --

24 24434 MR. F. DOUCET: Correct.

25 24435 MR. WOLSON: "...at the request of

1 K.S.," and you talk about the luncheon, and you were
2 present in the hotel room.

3 24436 The meeting ended by KS --
4 24437 I'm sorry, the meeting was
5 attended -- you talk about the three of you attending
6 the meeting.

7 24438 "The meeting lasted an hour..."
8 24439 Even though you said earlier that it
9 was an hour and a half, you have put here an hour.

10 24440 MR. F. DOUCET: I think I say
11 "approximately an hour".

12 24441 MR. WOLSON: All right.
13 "...B.M. and K.S. discussed
14 various matters of the on-going
15 consultancy in the international
16 arena. K.S. provided various
17 materials to B.M. At the end of
18 the meeting we went to the hotel
19 dining room..."

20 24442 -- and you go on about that.

21 24443 MR. F. DOUCET: Yes.

22 24444 MR. WOLSON: You don't say anything
23 in there about Mr. Yeltsin.

24 24445 MR. F. DOUCET: No.

25 24446 MR. WOLSON: Or about Mr. Mitterand.

1 24447 MR. F. DOUCET: No.

2 24448 MR. WOLSON: Or about Thyssen Bear

3 Head.

4 24449 MR. F. DOUCET: That's implied --

5 24450 MR. WOLSON: That's a given.

6 24451 MR. F. DOUCET: -- throughout.

7 24452 MR. WOLSON: Okay. About China.

8 24453 MR. F. DOUCET: No.

9 24454 MR. WOLSON: You then, at Point 6,

10 talk about the fifth estate show.

11 24455 MR. F. DOUCET: Yes.

12 24456 MR. WOLSON: At Point 7 you talk

13 about the Christmas -- December 26th meeting.

14 24457 MR. F. DOUCET: Yes.

15 24458 MR. WOLSON: You say:

16 "...having learned from Elmer

17 MacKay that K.S. was in Ottawa

18 over the Xmas season and that he

19 and his wife would probably

20 appreciate a call or a visit in

21 view of the recent events

22 involving K.S. and his arrest in

23 Toronto."

24 24459 MR. F. DOUCET: Correct.

25 24460 MR. WOLSON: So back, at least in

1 2000, nine years ago, you were of the view that Elmer
2 was the one that was the facilitator of the meeting.
3 24461 MR. F. DOUCET: That was my view
4 then, and it is still my view today, but I may be
5 wrong.
6 24462 MR. WOLSON: Okay. Then you say:
7 "I have kept a record of our
8 discussions of that afternoon
9 over a couple of hours."
10 24463 Halfway down Point 7, "I have kept a
11 record..."
12 24464 You are talking then about the
13 December 26, `99 --
14 24465 MR. F. DOUCET: Yes, correct.
15 24466 MR. WOLSON:
16 "I have kept a record of our
17 discussions of that afternoon
18 over a couple of hours."
19 24467 MR. F. DOUCET: Correct.
20 24468 MR. WOLSON: So that would be more
21 accurate, I would assume.
22 24469 MR. F. DOUCET: Probably so.
23 24470 MR. WOLSON: So you had had a
24 two-hour discussion with him.
25 24471 MR. F. DOUCET: It appears from that

1 note, yes.

2 24472 MR. WOLSON:

3 "During this period he told me

4 among many things -- "

5 24473 MR. F. DOUCET: I would just make a

6 comment on that. I am not entirely sure whether there

7 was any discussion when we were together, the four of

8 us. I don't believe there was --

9 24474 MR. WOLSON: Okay.

10 24475 MR. F. DOUCET: -- so I think that

11 what I am referring to are the discussions downstairs.

12 24476 MR. WOLSON: The two hours

13 downstairs.

14 24477 MR. F. DOUCET: Correct.

15 24478 MR. WOLSON: Okay.

16 "During this period he told me

17 among many things that he

18 expected that as part of his

19 extradition hearings..."

20 24479 You go on that he says:

21 "...as part of his extradition

22 hearings that I and B.M. would

23 have to be discovered."

24 24480 MR. F. DOUCET: Correct.

25 24481 MR. WOLSON: He told you that he

1 thought that, at his extradition hearings, Brian
2 Mulroney and Fred Doucet would be discovered?

3 24482 MR. F. DOUCET: Correct.

4 24483 I think it is also reported, is it
5 not, in the --

6 24484 MR. WOLSON: I've never seen that
7 before, actually.

8 24485 So you remembered this in August of
9 2000, that you and Brian may be witnesses.

10 24486 MR. F. DOUCET: Correct. Obviously,
11 I wrote it.

12 24487 MR. WOLSON: Isn't that, then,
13 probably the reason why you were asking Schreiber what
14 he would say when he was discovered?

15 24488 MR. F. DOUCET: Could be. Logical.

16 24489 MR. WOLSON: Except his discovery
17 would be part of either extradition or a lawsuit, and
18 your discovery would be part of an extradition hearing.

19 24490 MR. F. DOUCET: It appears from what
20 I wrote, yeah.

21 24491 MR. WOLSON:
22 "...K.S. urged me to review our
23 discussions with B.M. I
24 subsequently did. K.S. invited
25 me to keep posted and to visit

1 with him when next in
2 Toronto..."

3 24492 So it's Karlheinz Schreiber that
4 invited you for a meeting -- or to meet when you were
5 in Toronto. Is that the idea?

6 "K.S. invited me to keep posted
7 and to visit with him when next
8 in Toronto."

9 24493 MR. F. DOUCET: Correct.

10 24494 MR. WOLSON: So he was the one that
11 arranged the 11th of January 2000?

12 24495 MR. F. DOUCET: No, I don't think so,
13 I think I arranged it.

14 24496 It is my recollection that I arranged
15 it, but I think that I am referring to the meeting of
16 the 26th when I say what you have just read.

17 24497 MR. WOLSON: I don't think so,
18 because you are talking about the meeting of the
19 26th --

20 24498 MR. F. DOUCET: Correct.

21 24499 MR. WOLSON: -- in that paragraph.

22 24500 MR. F. DOUCET: And I say:
23 "K.S. invited me to keep posted
24 and to visit with him when next
25 in Toronto."

1 24501 MR. WOLSON: Okay.

2 24502 MR. F. DOUCET: As he was leaving --
3 as I recall, as he was leaving our house, he said,
4 "When you are next in Toronto, let's keep in touch,"
5 or, "let's visit" -- whatever.

6 24503 But I think that I set up the meeting
7 thereafter, in Toronto.

8 24504 MR. WOLSON: All right. And
9 paragraph 8:

10 "On Jan11/00 at approximately
11 4:30 p.m. we (K.S. and I) met at
12 the Royal York in my room. I
13 have kept notes of that meeting.
14 At the meeting, among many other
15 matters about which K.S. spoke,
16 he told me, in answer to my
17 specific question about what he
18 proposed to say at his
19 discoveries regarding the
20 consultancy with B.M...."

21 24505 So you were asking him what he was
22 going to say, when he was discovered, about the
23 business relationship that he had with Brian Mulroney
24 and about the money that had been paid by Schreiber to
25 Mulroney. Right?

1 24506 That's what you were asking him
2 about, is it not?
3 --- Pause

4 24507 MR. WOLSON: Three lines below that
5 you talk about fees.

6 24508 MR. F. DOUCET: "...proposed to say
7 at his discoveries regarding the consultancy with B.M.
8 that he agreed that the nature of the consultancy was
9 to keep," et cetera, et cetera, et cetera.

10 24509 Correct.

11 24510 MR. WOLSON:
12 "With respect to the fee K.S.
13 stated that he could not be
14 certain whether he would be
15 treating these disbursements as
16 'an advance' or a 'loan' since
17 that was only relevant to him in
18 the context of his taxes."

19 24511 MR. F. DOUCET: Correct.

20 24512 MR. WOLSON: This is the one where he
21 had said to you, "Fred, there is nothing like the
22 truth," and you said, "Absolutely."

23 24513 That's the one we talked about
24 earlier.

25 24514 MR. F. DOUCET: Correct, yes.

1 24515 MR. WOLSON: You say in this
2 paragraph:
3 "...in answer to my specific
4 question about what he had
5 proposed to say at his
6 discoveries regarding the
7 consultancy with B.M. that he
8 agreed that the nature of the
9 consultancy was to keep a
10 watching brief world wide on
11 possible opportunities for his
12 (K.S.) companies; that B.M. was
13 to report periodically on such
14 opportunities..."

15 24516 That is basically what you had told
16 him the agreement was, when we go back to the
17 previous -- January the 11th, 2000.

18 24517 You had put that suggestion to him.

19 24518 MR. F. DOUCET: Correct, based on my
20 knowledge of what he had told me regarding the Mirabel
21 meeting --

22 24519 MR. WOLSON: Sure.

23 24520 MR. F. DOUCET: -- and what I had
24 heard at the New York meeting.

25 24521 MR. WOLSON: All right. Paragraph 9:

1 "I reported to B.M. on my
2 discussions with K.S. (with
3 K.S.'s knowledge and
4 approval)..."

5 24522 So it is clear, after the January
6 11th, 2000 meeting, that you had talked to Mr. Mulroney
7 about that meeting.

8 24523 MR. F. DOUCET: Correct.

9 24524 MR. WOLSON:
10 "...and I suggested to B.M. that
11 I meet again with K.S. to
12 present in writing what he had
13 told me the mandate for the
14 consultancy was with B.M. and
15 the term and fees. I met again
16 with K.S. in my office...Feb.
17 4/00 and I presented a written
18 statement on the mandate
19 consistent with what he (K.S.)
20 had represented it to be."

21 24525 Right?

22 24526 MR. F. DOUCET: Correct.

23 24527 MR. WOLSON: And then you go on to
24 say that you left open the identification of the
25 companies from which the mandate would emanate and the

1 fees to cover the services and expenses.

2 "With his own (K.S) handwriting
3 my notes show his identifying
4 those companies and when I asked
5 him what the fee was he told me
6 the fee for services and
7 expenses had been set at
8 \$250,000 for the period [1993 to
9 1996]."

10 24528 MR. F. DOUCET: Correct.

11 24529 MR. WOLSON:

12 "Furthermore, he (K.S.) asked me
13 if B.M. would be interested in
14 renewing the terms for a new
15 contract to assist him in the
16 strategic selling of the new
17 spaghetti machine."

18 24530 MR. F. DOUCET: Mr. Wolson, if I may
19 interrupt, I think that that is a misprint. I think
20 the "renewing" is "reviewing", again my handwriting.

21 24531 MR. WOLSON: I'm okay with that.

22 That's fine, I'm glad you pointed it out.

23 "Furthermore, he (K.S.) asked me
24 if B.M. would be interested in
25 reviewing the terms for a new

1 contract to assist him in the
2 strategic selling of a new
3 spaghetti machine."
4 24532 MR. F. DOUCET: Correct.
5 24533 MR. WOLSON:
6 "I indicated to K.S. that I
7 would bring this to B.M.'s
8 attention. He told me that he
9 thought B.M. could be of great
10 assistance to him
11 internationally in his corporate
12 endeavor and he told me how much
13 he regretted the Airbus
14 allegations..."
15 24534 MR. F. DOUCET: Correct.
16 24535 MR. WOLSON: When does the spaghetti
17 talk happen?
18 24536 MR. F. DOUCET: My best
19 recollection -- and it is very vague -- is that it was
20 at the mandate meeting -- at the February 4th meeting.
21 24537 I'm not 100 per cent sure of that.
22 24538 MR. WOLSON: How long was that
23 mandate meeting for, the Feb 4, 2000?
24 24539 MR. F. DOUCET: I would say 45
25 minutes.

1 24540 MR. WOLSON: Are there any notes of
2 that meeting --

3 24541 MR. F. DOUCET: No.

4 24542 MR. WOLSON: -- other than the
5 mandate document?

6 24543 MR. F. DOUCET: That's it.

7 24544 MR. WOLSON: But you remember talking
8 about spaghetti machines?

9 24545 MR. F. DOUCET: I do, because I
10 remember reporting it to Mr. Mulroney.

11 24546 MR. WOLSON: That's an odd thing to
12 remember.

13 24547 MR. F. DOUCET: I'm sorry...?

14 24548 MR. WOLSON: It's an odd thing to
15 remember.

16 24549 MR. F. DOUCET: Well, I found it
17 discordant with everything else, I agree with you, but
18 I didn't realize that he was in the spaghetti business.
19 This came out and...

20 24550 MR. WOLSON: Okay. Just for
21 completeness -- you don't have to go there -- but your
22 lobby registration, because you referred to it --

23 24551 MR. F. DOUCET: Yes...?

24 24552 MR. WOLSON: I'm not going to ask you
25 any questions about it, but just for completeness --

1 24553 MR. F. DOUCET: Yes...?

2 24554 MR. WOLSON: -- because you said you
3 referred to them when you put down the years that you
4 worked for Mr. Schreiber.

5 24555 MR. F. DOUCET: Yes.

6 24556 MR. WOLSON: They are found at Tab 10
7 and tab -- they are both at Tab 10. There are two
8 documents.

9 24557 This is a document that I think it
10 has a date of 1989 on it, October 10, '89.

11 24558 MR. F. DOUCET: That would fit. I
12 think that is when the law was proclaimed.

13 24559 MR. WOLSON: So you were going
14 forward. You didn't mention '89 in your notes, but I
15 assume if you were registered in '89, the fall, you
16 would have written down 1990.

17 24560 MR. F. DOUCET: Correct.

18 24561 MR. WOLSON: I just have a few
19 further things and they won't take very long at all.

20 24562 There is, we know, a meeting in
21 Zürich, Switzerland --

22 24563 MR. F. DOUCET: Yes.

23 24564 MR. WOLSON: -- between Mr. Mulroney
24 and Mr. Schreiber.

25 24565 MR. F. DOUCET: I have learned about

1 that.

2 24566 MR. WOLSON: That's what I want to
3 ask you. Did you take part in arranging that?

4 24567 MR. F. DOUCET: No.

5 24568 MR. WOLSON: You learned about it
6 through the media?

7 24569 MR. F. DOUCET: I learned about it
8 through the media.

9 24570 MR. WOLSON: Mr. Mulroney didn't tell
10 you anything about it?

11 24571 MR. F. DOUCET: I have no recall of
12 that.

13 24572 MR. WOLSON: All right.
14 24573 Then I want to ask you if you could
15 turn, please, to the same book you were in, Book 1, Tab
16 12.

17 24574 You will be pleased to know that I
18 just have two more minutes.

19 24575 MR. F. DOUCET: Yes, I'm there.

20 24576 MR. WOLSON: This is a copied portion
21 of the first document of Mr. Schreiber's diary.

22 24577 On the right-hand side it says "FRA -
23 Fred" and the amount below 30,000. Do you see that?

24 24578 MR. F. DOUCET: I do.

25 24579 MR. WOLSON: Do you know anything

1 about an amount of \$30,000 pertaining to you?

2 24580 MR. F. DOUCET: I have no
3 recollection of that at all.

4 24581 MR. WOLSON: The second document in
5 that package, if you turn the page --

6 24582 MR. F. DOUCET: Yes...?

7 24583 MR. WOLSON: -- there is reference to
8 30,000 right at the top. Do you see that? "24.01".

9 24584 MR. F. DOUCET: Yes, I see that.

10 24585 MR. WOLSON: And if you turn the page
11 and at the top it says "FRANKFURT".

12 24586 Do you see that on that same page
13 where it says -- there is a German word. It says
14 30,000 and then above it, it has "FRANKFURT".

15 24587 That is on the second page.

16 24588 MR. F. DOUCET: I'm sorry, I am on
17 the wrong page.

18 24589 I'm sorry, could you tell me again
19 what page?

20 24590 MR. WOLSON: Okay. The second page
21 in the tab.

22 24591 MR. F. DOUCET: Yes.

23 24592 MR. WOLSON: So page 1 is a diary.
24 The second page is the one I think you are holding now.

25 24593 MR. F. DOUCET: Yes.

1 24594 MR. WOLSON: It says "FRANKFURT" --
2 24595 MR. F. DOUCET: Yes.
3 24596 MR. WOLSON: -- and below it there is
4 an amount of 30,000.
5 24597 MR. F. DOUCET: I see that.
6 24598 MR. WOLSON: Do you know anything
7 about 30,000 from Frankfurt?
8 24599 MR. F. DOUCET: I do not.
9 24600 MR. WOLSON: If you go to the third
10 page --
11 24601 MR. F. DOUCET: I'm there.
12 24602 MR. WOLSON: The next page is also
13 the diary of Mr. Schreiber --
14 24603 MR. F. DOUCET: Yes.
15 24604 MR. WOLSON: -- on the 8th of
16 February.
17 24605 MR. F. DOUCET: Yes.
18 24606 MR. WOLSON: And about halfway down
19 the right-hand side it has a word I think is "Strobel",
20 but I'm not sure, and then it says "30 Doucet".
21 24607 MR. F. DOUCET: I see that.
22 24608 MR. WOLSON: Do you know what that
23 refers to?
24 24609 MR. F. DOUCET: I do not.
25 24610 MR. WOLSON: Then if you go to the

1 last page of that tab, Tab 14, Book 1.

2 24611 MR. F. DOUCET: I'm there.

3 24612 MR. WOLSON: At the top it says

4 "RUBRIK FRED".

5 24613 MR. F. DOUCET: Yes.

6 24614 MR. WOLSON: And then below that, to

7 the right, there is an amount of 30,000.

8 24615 MR. F. DOUCET: I see that.

9 24616 MR. WOLSON: Do you know anything

10 about "RUBRIK FRED"?

11 24617 MR. F. DOUCET: I do not.

12 24618 MR. WOLSON: Do you know if

13 Mr. Schreiber had an account for you in Switzerland?

14 24619 MR. F. DOUCET: I have no idea.

15 24620 MR. WOLSON: Or in Germany?

16 24621 MR. F. DOUCET: I have no idea. If

17 he did, I was not aware of it.

18 24622 MR. WOLSON: Could I just have one

19 moment please, Mr. Commissioner?

20 --- Pause

21 24623 MR. WOLSON: I just have one last

22 question.

23 24624 If you turn back to the mandate, page

24 40, Tab 46.

25 24625 MR. F. DOUCET: Yes, I'm there.

1 24626 MR. WOLSON: This is it, I promise
2 now, the last question.

3 24627 MR. F. DOUCET: It's okay.

4 24628 MR. WOLSON: If the mandate -- go to
5 the first document in the book, the clean document with
6 some typing on it.

7 24629 MR. F. DOUCET: The blank page.

8 24630 MR. WOLSON: If the mandate was to
9 clear up ambiguity -- and that's what you said; right?

10 24631 MR. F. DOUCET: Yes.

11 24632 MR. WOLSON: Why wouldn't the mandate
12 refer to Bear Head/Thyssen?

13 24633 MR. F. DOUCET: I guess it speaks to
14 the implicitness of it all. Throughout the
15 relationship, for me at least, there was nothing but
16 Bear Head/Thyssen.

17 24634 MR. WOLSON: But if you wanted a
18 document to squirrel away for a rainy day --

19 24635 MR. F. DOUCET: Yes...?

20 24636 MR. WOLSON: -- if something ever
21 materialized where the Mulroney-Schreiber relationship
22 were ever questioned, where the subject of the media --

23 24637 MR. F. DOUCET: Yes.

24 24638 MR. WOLSON: -- obviously you weren't
25 anticipating at that time sitting there and talking to

1 me --

2 24639 MR. F. DOUCET: That's for sure.

3 24640 MR. WOLSON: That's for sure. And

4 I'm sure I wasn't either. But that said --

5 24641 MR. F. DOUCET: Yes...?

6 24642 MR. WOLSON: -- wouldn't you want a

7 document that was clear and unambiguous, that clearly

8 referred to the essence? The whole essence of the

9 mandate was Thyssen/Bear Head. Wouldn't you want that?

10 24643 MR. F. DOUCET: Well, let me answer

11 by saying that the second line of the mandates says:

12 "In this context, priority

13 should be given to opportunities

14 relating to Canadian based

15 manufacturing of peace keeping

16 and/or peace making military

17 equipment in view of Canada's

18 prominence in this area."

19 24644 MR. WOLSON: But wouldn't you want to

20 have Thyssen/Bear Head --

21 24645 MR. F. DOUCET: It probably would

22 have been more explicit if I had put Thyssen/Bear Head,

23 but I assure you that this document was intended to

24 imply that this was Thyssen/Bear Head all the way.

25 24646 MR. WOLSON: All right. Thank you so

1 much.

2 24647 MR. F. DOUCET: You are very welcome.

3 24648 COMMISSIONER OLIPHANT: Those are
4 your questions, Mr. Wolson?

5 24649 MR. WOLSON: I wouldn't be truthful
6 if I had more questions, so that's it. I have no
7 further questions.

8 24650 COMMISSIONER OLIPHANT: Well, that's
9 the good news, Mr. Doucet. The bad news is that you
10 have to come back this afternoon to face questions from
11 other counsel, unless there is an indication that they
12 are not going to be asking questions.

13 24651 I'm going to conduct an informal
14 poll, if I could, and if you are not able to answer
15 now, counsel, I will understand.

16 24652 Mr. Pratte...?

17 24653 MR. PRATTE: I don't think,
18 Mr. Commissioner, we will have some, but if any they
19 will be extremely brief. I will also consult because I
20 know that we are being correctly scolded for not having
21 the order.

22 24654 I'm not sure that we discussed
23 amongst us, but we will certainly have that done before
24 lunch time.

25 24655 But if anything, it would be

1 extraordinarily brief.

2 24656 COMMISSIONER OLIPHANT: All right.

3 So what you said, because you weren't speaking into the

4 microphone for the whole of what you said, you are not

5 sure whether you will have questions, but if you do,

6 you will be very brief.

7 24657 MR. PRATTE: Indeed, sir.

8 24658 COMMISSIONER OLIPHANT: All right.

9 24659 MR. YAROSKY: He said extraordinarily

10 brief, Mr. Commissioner.

11 24660 COMMISSIONER OLIPHANT: Thank you for

12 clearing up the ambiguity.

13 24661 Mr. Vickery...?

14 24662 MR. VICKERY: I do not expect we will

15 have questions.

16 24663 COMMISSIONER OLIPHANT: Thank you.

17 24664 Mr. Houston...?

18 24665 MR. HOUSTON: I will have some

19 questions, Mr. Commissioner.

20 24666 COMMISSIONER OLIPHANT: All right.

21 24667 Mr. Auger...?

22 24668 MR. AUGER: I will have a few

23 questions, Mr. Commissioner, in the range of 15 to 30

24 minutes.

25 24669 COMMISSIONER OLIPHANT: I'm sorry?

1 24670 MR. AUGER: In the range of 15 to 30
2 minutes.

3 24671 COMMISSIONER OLIPHANT: Okay.

4 24672 Well, it's 12:30. We will break for
5 lunch and come back at 2 o'clock this afternoon then.

6 24673 Good afternoon.

7 --- Upon recessing at 12:30 p.m. / Suspension à 12 h 30
8 --- Upon resuming at 2:00 p.m. / Reprise à 14 h 00

9 24674 COMMISSIONER OLIPHANT: Be seated,
10 please.

11 24675 Mr. Auger...?

12 24676 MR. AUGER: Thank you, Commissioner.

13 24677 I have spoken to my friends and I
14 think I'm next in the order. With your permission, I
15 am ready to proceed.

16 24678 COMMISSIONER OLIPHANT: That's fine.

17 EXAMINATION: FRED DOUCET BY MR. AUGER /
18 INTERROGATOIRE : FRED DOUCET PAR Me AUGER

19 24679 MR. AUGER: Mr. Doucet, if I can ask
20 you to please turn up Tab 47 in binder 1 of 2.

21 24680 COMMISSIONER OLIPHANT: Could you
22 turn your microphone on.

23 24681 MR. F. DOUCET: I'm sorry.

24 24682 Yes, I'm there.

25 24683 MR. AUGER: And if I can focus your

1 attention on -- there is the subheading "Events Post
2 1992".

3 24684 Do you see that?

4 24685 MR. F. DOUCET: Yes.

5 24686 MR. AUGER: And then below that there
6 is paragraph number one. Do you see that?

7 24687 MR. F. DOUCET: Yes.

8 24688 MR. AUGER: And I want to take you
9 through -- and you have given evidence this morning at
10 length about these notes and their accuracy and the
11 reason for generating them; correct?

12 24689 MR. F. DOUCET: Correct.

13 24690 MR. AUGER: And you have told the
14 Commissioner that all of your notes are your best
15 record in order to memorialize the events.

16 24691 Is that correct?

17 24692 MR. F. DOUCET: Correct.

18 24693 MR. AUGER: I want to examine your
19 sentence construction in paragraph 1.

20 24694 You say:

21 "As best as I can recall in late
22 summer of 1993 K.S. called me to
23 discuss with me whether I could
24 arrange a meeting between
25 himself and Brian Mulroney

1 (B.M.) to discuss the
2 prospects..."

3 24695 And this is what I want you to focus
4 on, Mr. Doucet:

5 "... the prospects of a
6 consulting assignment involving
7 international representations
8 and watching brief for corporate
9 opportunities involving
10 companies in which K.S. had an
11 interest."

12 24696 Do you see that?

13 24697 MR. F. DOUCET: I do.

14 24698 MR. AUGER: You would have noted that
15 I put some emphasis on the word "and". You noticed
16 that?

17 24699 And that's in fact in your sentence,
18 between the words "international representations" and
19 "watching brief"; correct?

20 24700 MR. F. DOUCET: Correct.

21 24701 MR. AUGER: And indeed if we continue
22 that down to paragraph 3, it starts off:
23 "Subsequent to the Mirabel
24 meeting..."

25 24702 Do you see that?

1 24703 MR. F. DOUCET: I do.

2 24704 MR. AUGER: And I just want to carry
3 us down to the third line and it says:
4 "... through his consulting
5 company would provide a watching
6 brief and, if and where
7 appropriate, make inquiries or
8 representations in the
9 international arena..."

10 24705 Do you see that?

11 24706 MR. F. DOUCET: I do.

12 24707 MR. AUGER: And that, too, is an
13 accurate note of what you understood Mr. Mulroney's
14 engagement to be; correct?

15 24708 MR. F. DOUCET: That is correct.

16 24709 MR. AUGER: If I can also ask you to
17 turn back in the book to Tab 43, this is your "Memo to
18 File", October 28, 1999.

19 24710 Do you see that?

20 24711 MR. F. DOUCET: I do.

21 24712 MR. AUGER: In the middle of the
22 paragraph it starts:
23 "At approximately 11:00 a.m...."

24 24713 MR. F. DOUCET: Yes.

25 24714 MR. AUGER: The left side:

1 "At approximately 11:00 a.m ..."

2 24715 MR. F. DOUCET: I see that, yes.

3 24716 MR. AUGER:

4 "... MBM and I proceeded to

5 K.S.'s room and for

6 approximately 1 1/2 hrs. the two

7 of them discussed various

8 aspects about MBM's assignment

9 as well as a number of matters

10 where MBM saw opportunities in

11 the international arena."

12 24717 Do you see that? That's your

13 sentence construction.

14 24718 MR. F. DOUCET: Correct.

15 24719 MR. AUGER: And that is consistent

16 with what I read to you in the previous two paragraphs

17 back in Tab 47; correct?

18 24720 MR. F. DOUCET: Correct.

19 24721 MR. AUGER: So just on a commonsense

20 read of that, there are really two aspects as you have,

21 in your own writing, set out; right?

22 24722 There are two aspects that you, in

23 the sentences that I have taken you two -- one

24 component is international; correct?

25 24723 MR. F. DOUCET: Correct.

1 24724 MR. AUGER: And another component is
2 the assignment; correct?

3 24725 MR. F. DOUCET: That's not my
4 interpretation.

5 24726 MR. AUGER: Well, those are your
6 words in your memo that you gave evidence to the
7 Commissioner at great length, and you confirmed that
8 these notes are your best record of the understanding
9 of Mr. Mulroney's engagement; correct?

10 24727 MR. F. DOUCET: Correct.

11 24728 MR. AUGER: So if I can ask you to go
12 back to Tab 47 --

13 24729 MR. F. DOUCET: Yes, I'm there.

14 24730 MR. AUGER: And I have read to you
15 paragraph 1 in the middle of the page and part of
16 paragraph 3, and all I'm asking you to agree with is
17 your own sentence construction joins international
18 representations together with watching brief; right?

19 24731 MR. F. DOUCET: Correct.

20 24732 MR. AUGER: So all I'm asking you to
21 agree as a matter of common sense, using your own
22 words, is that one prong was international; correct?

23 24733 MR. F. DOUCET: Correct.

24 24734 MR. AUGER: Joined by the word "and"
25 in the second prong, your language is watching brief

1 for corporate opportunities.

2 24735 MR. F. DOUCET: Yes.

3 24736 MR. AUGER: You don't anywhere in
4 what I have taken you to in these three examples of
5 your own memorializing say exclusively international.
6 24737 You don't say exclusively
7 international, do you?

8 24738 MR. F. DOUCET: My interpretation of
9 what I wrote is that an is conjunctive to international
10 representations.

11 24739 MR. AUGER: That's how you now
12 interpret it as you are sitting here today.

13 24740 MR. F. DOUCET: That's how I wrote
14 it.

15 24741 MR. AUGER: Well, you didn't write
16 international representations period. You didn't put a
17 period after that.

18 24742 MR. F. DOUCET: No.

19 24743 MR. AUGER: You didn't use the words
20 solely international; right?

21 24744 MR. F. DOUCET: No.

22 24745 MR. AUGER: You didn't use the words
23 exclusively international; correct?

24 24746 MR. F. DOUCET: No.

25 24747 MR. AUGER: Can I ask you to turn up

1 Tab 46, please.

2 24748 MR. F. DOUCET: Yes, I'm there.

3 24749 MR. AUGER: The second page is the

4 mandate with handwriting on it.

5 24750 Do you see that?

6 24751 MR. F. DOUCET: Yes, I'm there.

7 24752 MR. AUGER: Again, let's focus on --

8 you typed this document?

9 24753 MR. F. DOUCET: I did.

10 24754 MR. AUGER: Let's focus --

11 24755 MR. F. DOUCET: Oh, I'm sorry, I

12 didn't personally, but someone in my office typed it

13 for me.

14 24756 MR. AUGER: You dictated it to that

15 person?

16 24757 MR. F. DOUCET: Either long handed or

17 dictated it, I'm not sure.

18 24758 MR. AUGER: Let's focus on your own

19 sentence construction in the mandate.

20 24759 MR. F. DOUCET: Yes.

21 24760 MR. AUGER:

22 "To provide a watching brief to

23 develop economic opportunities

24 for our companies,..."

25 24761 And I appreciate there are blanks.

1 24762 MR. F. DOUCET: Yes.

2 24763 MR. AUGER: But it continues:

3 "... including travelling

4 abroad..."

5 24764 Do you see that?

6 24765 MR. F. DOUCET: Correct.

7 24766 MR. AUGER: And again, just focusing

8 on your own language, you have used the word

9 "including".

10 24767 MR. F. DOUCET: Correct.

11 24768 MR. AUGER: Not exclusively, not

12 solely, not limited to travelling abroad; right?

13 24769 MR. F. DOUCET: I'm not sure I

14 understand your question.

15 24770 MR. AUGER: Well, let me see if I can

16 break it down.

17 24771 The sentence I just read to you, you

18 have used the word "including" travelling abroad;

19 right?

20 24772 MR. F. DOUCET: Correct.

21 24773 MR. AUGER: To describe the mandate.

22 24774 MR. F. DOUCET: Correct.

23 24775 MR. AUGER: So all I'm asking you to

24 agree is that nowhere in the mandate that has set out

25 what you thought was the agreement, nowhere in that

1 piece of paper did you use the word "exclusively"
2 travelling abroad or international work?

3 24776 MR. F. DOUCET: That is correct.

4 24777 MR. AUGER: You didn't use the word
5 "solely" travelling abroad?

6 24778 MR. F. DOUCET: Correct.

7 24779 MR. AUGER: You use the word
8 "including" travelling abroad.

9 24780 MR. F. DOUCET: Correct.

10 24781 MR. AUGER: All I'm asking you to
11 agree is that a matter of common sense, simple sentence
12 construction and language, "including" travelling
13 abroad doesn't limit the mandate to travelling abroad.
14 Fair?

15 24782 MR. F. DOUCET: That's a conclusion
16 that one could make. It wasn't mine.

17 24783 MR. AUGER: It's not yours today?

18 24784 MR. F. DOUCET: I'm sorry...?

19 24785 MR. AUGER: It's not yours today?

20 24786 MR. F. DOUCET: I don't think it ever
21 was mine.

22 24787 MR. AUGER: So you are now telling
23 the Commissioner that if you had an opportunity to
24 redraft this mandate, I take it that your evidence is
25 that you would insert the word -- you would strike out

1 the word "including" and insert the word "exclusively".
2 24788 Is that what you are telling the
3 Commissioner?
4 24789 MR. F. DOUCET: I'm not saying any of
5 that.
6 24790 MR. AUGER: I'm going to suggest to
7 you that the reason the sentences the way you have
8 constructed them make sense -- and I think you agreed
9 with Mr. Wolson yesterday -- that you need a plant
10 built in Canada before you can sell internationally.
11 24791 Is that something as a matter of
12 common sense we can agree to?
13 24792 MR. F. DOUCET: I think so, yes.
14 24793 MR. AUGER: At Tab 46, back to the
15 mandate document --
16 24794 MR. F. DOUCET: Yes, I'm there.
17 24795 MR. AUGER: Thank you. I'm looking
18 at the page with handwriting on it, the second page in
19 my book.
20 24796 MR. F. DOUCET: Yes.
21 24797 MR. AUGER: You read the mandate
22 sheet in its blank form, if I can put it that way,
23 without handwriting on it, to Mr. Mulroney before you
24 met with Mr. Schreiber; right?
25 24798 MR. F. DOUCET: Correct.

1 24799 MR. AUGER: You then meet with
2 Mr. Schreiber and your evidence is that the writing
3 that we see on page 2 in Tab 46 was generated at that
4 meeting; right?

5 24800 MR. F. DOUCET: The writing was
6 generated at that meeting, correct.

7 24801 MR. AUGER: Correct. The
8 handwriting.

9 24802 MR. F. DOUCET: Correct.

10 24803 MR. AUGER: After that meeting you
11 spoke to Mr. Mulroney and confirmed to Mr. Mulroney
12 what is written on the mandate sheet; right?

13 24804 MR. F. DOUCET: Correct.

14 24805 MR. AUGER: And the obvious purpose
15 of that was to satisfy Mr. Mulroney that you once and
16 for all had been able to memorialize the mandate;
17 right?

18 24806 MR. F. DOUCET: Correct.

19 24807 MR. AUGER: And I think that you had
20 indicated to Mr. Wolson earlier words to the effect
21 that Mr. Mulroney had approved what you had read back
22 to him, what we can now see in the mandate sheet?

23 24808 MR. F. DOUCET: I don't think I used
24 that language at all.

25 24809 MR. AUGER: If I suggest that to you

1 now, did Mr. Mulroney approve of the wording on the
2 mandate sheet when you read it back to him after
3 meeting with Mr. Schreiber?

4 24810 MR. F. DOUCET: All I recall him
5 saying to me after I read it to him, that's good,
6 that's fine, words to that effect.

7 24811 MR. AUGER: He didn't dispute what
8 you read back to him, what we can now see in the
9 mandate sheet with handwriting on it?

10 24812 Mr. Mulroney didn't dispute any of
11 it?

12 24813 MR. F. DOUCET: Not that I recall.

13 24814 MR. AUGER: You read to him the terms
14 obviously, because that was the whole point of the
15 exercise.

16 24815 MR. F. DOUCET: Correct.

17 24816 MR. AUGER: You read to him the fact
18 that the amount written was \$250,000.

19 24817 MR. F. DOUCET: Correct.

20 24818 MR. AUGER: Mr. Mulroney didn't ask
21 you to in any way amend that amount?

22 24819 MR. F. DOUCET: No.

23 24820 MR. AUGER: You formed the impression
24 after that discussion with Mr. Mulroney that he had in
25 fact approved of that amount; correct?

1 24821 MR. F. DOUCET: I'm not going to say
2 that. I don't recall his telling me that at all.

3 24822 I recall his saying to me that's
4 fine, that's okay, words to that effect.

5 24823 MR. AUGER: That the \$250,000 was
6 okay or fine, words to that effect?

7 24824 MR. F. DOUCET: There was no -- his
8 reaction was not solely to that. It was to my
9 recounting to him everything that I had on the piece of
10 paper.

11 24825 MR. AUGER: And you recounted the
12 \$250,000?

13 24826 MR. F. DOUCET: I did indeed.

14 24827 MR. AUGER: And you have told the
15 Commissioner that you even have had discussions with
16 Mr. Mulroney recently in preparing for your testimony.

17 24828 Is that fair?

18 24829 MR. F. DOUCET: That is fair.

19 24830 MR. AUGER: And even as recent as
20 those discussions, I take it that Mr. Mulroney didn't
21 ask you whether the mandate sheet should be amended?

22 24831 MR. F. DOUCET: Did not.

23 24832 MR. AUGER: So from February 4, 2000
24 through to now you had the impression that Mr. Mulroney
25 agreed with the content of the mandate sheet, at least

1 to you?

2 24833 MR. F. DOUCET: I have recounted to
3 the Commission precisely what happened.

4 24834 MR. AUGER: The date of the meeting
5 and the date of the mandate sheet is February 4, 2000;
6 correct?

7 24835 MR. F. DOUCET: Correct.

8 24836 MR. AUGER: Do you know whether or
9 not Mr. Mulroney was contemplating or in the course of
10 making voluntary disclosure to Revenue Canada at that
11 time?

12 24837 MR. F. DOUCET: I have no idea about
13 that at all.

14 24838 MR. AUGER: No knowledge whatsoever
15 of Mr. Mulroney making voluntary disclosure of an
16 amount from Mr. Schreiber?

17 24839 MR. F. DOUCET: Not at all.

18 24840 MR. AUGER: So me, if I were to
19 suggest that to you, that is the first time you have
20 heard of that?

21 24841 MR. F. DOUCET: You mean right now?

22 24842 MR. AUGER: If I were to suggest to
23 you that Mr. Mulroney made a voluntary disclosure to
24 Revenue Canada?

25 24843 MR. F. DOUCET: No, I have heard that

1 in the popular media somewhere.

2 24844 MR. AUGER: Fair enough.

3 24845 MR. F. DOUCET: Yes.

4 24846 MR. AUGER: Fair enough. And I take
5 it that at no time, therefore, did Mr. Mulroney say to
6 you that the \$250,000 should be amended to \$225,000
7 because that could cause a problem with Revenue Canada?
8 24847 Nothing to that effect?

9 24848 MR. F. DOUCET: There was never a
10 mention by him to me about the number.

11 24849 MR. AUGER: To this day?

12 24850 MR. F. DOUCET: To this day.

13 24851 MR. AUGER: Did you send a copy of
14 the mandate sheet to Mr. Mulroney in early 2000?
15 24852 MR. F. DOUCET: My best recollection
16 is that I did not, but I did send it either directly or
17 through my lawyers in the context of the Ethics
18 Committee, I believe before the Ethics Committee.
19 Maybe three weeks, a month before. I'm not exactly
20 sure.

21 24853 MR. AUGER: Just to assist you, that
22 would be in the fall of 2007.

23 24854 MR. F. DOUCET: As best I can recall.

24 24855 MR. AUGER: But prior to that you
25 have no recollection of forwarding this mandate sheet

1 either through lawyers or directly to Mr. Mulroney;
2 correct?

3 24856 MR. F. DOUCET: I have no
4 recollection of that, no.

5 --- Pause

6 24857 MR. AUGER: You have told the
7 Commissioner about your lengthy and good friendship
8 with Mr. Mulroney and we don't need to go through that
9 again. But I take it that, by extension, you shared a
10 number of years through good times and bad times with
11 Mr. Mulroney; correct?

12 24858 MR. F. DOUCET: Correct.

13 24859 MR. AUGER: And that is what good
14 friends are about and that was true of you and
15 Mr. Mulroney.

16 24860 MR. F. DOUCET: Correct.

17 24861 MR. AUGER: Did Mr. Mulroney at any
18 time say to you that Fred, I've got a serious problem I
19 need to talk to you about? I received cash from
20 Mr. Schreiber and I don't know what to do in terms of
21 Revenue Canada?

22 24862 MR. F. DOUCET: He never mentioned
23 anything of the sort.

24 24863 MR. AUGER: So that wasn't something
25 that he confided in you or sought your advice about?

1 24864 MR. F. DOUCET: Absolutely not.

2 24865 MR. AUGER: You knew, as of the
3 Pierre Hotel meeting, that Mr. Mulroney was generating
4 income from Mr. Schreiber?

5 24866 MR. F. DOUCET: Correct.

6 24867 MR. AUGER: And presumably you
7 assumed at that time and thereafter that any income
8 would have been declared and taxes paid?

9 24868 MR. F. DOUCET: It never crossed my
10 mind.

11 24869 MR. AUGER: If I can ask you to again
12 turn your attention to the mandate sheet at Tab 46 --

13 24870 MR. F. DOUCET: Yes, I'm there.

14 24871 MR. AUGER: Just so I understand, you
15 start the meeting with Mr. Schreiber on February 4,
16 2000; correct?

17 24872 MR. F. DOUCET: Correct.

18 24873 MR. AUGER: You and him are alone in
19 a boardroom adjacent to your office with this one-page
20 blank document.

21 24874 MR. F. DOUCET: Two pages.

22 24875 MR. AUGER: Two blank mandate sheets?

23 24876 MR. F. DOUCET: Correct.

24 24877 MR. AUGER: And you remember that
25 vividly?

1 24878 MR. F. DOUCET: I'm sorry...?
2 24879 MR. AUGER: You remember that
3 vividly?
4 24880 MR. F. DOUCET: I do.
5 24881 MR. AUGER: Could there have been
6 more than two blank sheets?
7 24882 MR. F. DOUCET: I really don't know.
8 I don't think so because I had one for myself that was
9 a working -- the working piece and the one that I gave
10 to Mr. Schreiber.
11 24883 I'm not denying that there couldn't
12 have been a third. I could have made a third copy, but
13 I don't recall that.
14 24884 MR. AUGER: But your objective at the
15 commencement of that meeting was to generate
16 handwriting on the piece of paper that would accurately
17 record the mandate?
18 24885 MR. F. DOUCET: Yes.
19 24886 MR. AUGER: So what was the purpose
20 in showing up at the meeting with two blank mandates?
21 24887 MR. F. DOUCET: Well, I wanted him to
22 have one so he could follow along with me and I had one
23 so that I could read it.
24 24888 MR. AUGER: Do you remember that as
25 you are sitting here today?

1 24889 MR. F. DOUCET: I do indeed.

2 24890 MR. AUGER: Was Mr. Schreiber writing
3 on his sheet that you gave him?

4 24891 MR. F. DOUCET: I don't recall that.
5 I have no recall of that.

6 24892 MR. AUGER: Because as I understand
7 your evidence, there is handwriting that you say is
8 Mr. Schreiber's; correct?

9 24893 MR. F. DOUCET: Absolutely.

10 24894 MR. AUGER: And also handwriting that
11 you say is yours?

12 24895 MR. F. DOUCET: Correct.

13 24896 MR. AUGER: So obviously, according
14 to your evidence, there is one working page. There is
15 one page that you are working on.

16 24897 MR. F. DOUCET: That I was working
17 on, correct.

18 24898 MR. AUGER: You will correct me if
19 I'm wrong. You didn't produce a blank mandate sheet to
20 this Commission pursuant to your subpoena?

21 24899 MR. F. DOUCET: I have no memory of
22 doing that. I think the -- I would defer to my lawyer,
23 but my recollection is that we produced what we have
24 called page 2.

25 24900 MR. AUGER: Yes. To be fair to you,

1 I see in the bottom left-hand corner it says
2 'DOUCET00024".

3 24901 I am assuming -- and I might be
4 wrong. But I wanted to ask you whether or not you
5 remember or do you even have a blank mandate sheet?

6 24902 MR. F. DOUCET: I don't think I do
7 have a blank mandate sheet. If I have one, it would be
8 one that would have come out of the process either of
9 the Ethics Committee or -- but the one that I have been
10 relying on and have submitted, both to the Ethics
11 Commission and to this Commission, is what we have been
12 calling page 2.

13 24903 MR. AUGER: And your objective again
14 was to memorialize, was your word, the understanding
15 between Mr. Mulroney and Mr. Schreiber by way of the
16 mandate sheet.

17 24904 MR. F. DOUCET: Correct.

18 24905 MR. AUGER: What I don't understand
19 is that you had already memorialized that in December
20 of 1999 with your own record; correct?

21 24906 MR. F. DOUCET: More or less.

22 24907 MR. AUGER: You told Mr. Wolson that
23 you never obtained a signature from Mr. Schreiber in
24 relation to the mandate sheet.

25 24908 MR. F. DOUCET: Correct.

1 24909 MR. AUGER: You didn't ask
2 Mr. Mulroney to sign it.

3 24910 MR. F. DOUCET: Correct.

4 24911 MR. AUGER: You didn't sign it as a
5 witness?

6 24912 MR. F. DOUCET: No. However, if I
7 may?

8 24913 MR. AUGER: Of course.

9 24914 MR. F. DOUCET: The mandate sheet,
10 page 2, is much more explicit in its various parts than
11 anything that I memorialized prior to that moment in
12 terms of the mandating companies and in terms of the
13 amount.

14 24915 MR. AUGER: Right. Because you had
15 said earlier in your evidence that some of your notes
16 of meetings with Mr. Schreiber, there were certain
17 things that were implicit; right?

18 24916 MR. F. DOUCET: Yes.

19 24917 MR. AUGER: So what you are saying
20 now is that the mandate sheet is more explicit?

21 24918 MR. F. DOUCET: Is more --

22 24919 MR. AUGER: According to you.

23 24920 MR. F. DOUCET: Yes.

24 24921 MR. AUGER: Except that as Mr. Wolson
25 pointed out to you, and you agreed, that nowhere did

1 you make any reference to Bear Head or Thyssen?

2 24922 MR. F. DOUCET: That is correct.

3 24923 MR. AUGER: What was your

4 understanding of the reason that you travelled to New

5 York to attend the Pierre Hotel?

6 24924 What was your understanding of that?

7 24925 MR. F. DOUCET: My recollection is

8 that Mr. Schreiber called me several times in the

9 lead-up to that meeting -- and I think there are

10 entries in my day book to verify that -- where he told

11 me that he would be attending a meeting in New York,

12 unrelated, but because of that he was arranging for a

13 luncheon for Mr. and Mrs. MacKay and how pleasant it

14 would be if Mr. Mulroney could come to Montréal and

15 also attend the luncheon with the MacKay's as a

16 surprise to them.

17 24926 Then he indicated that of course I

18 could go along, I should come along.

19 24927 MR. AUGER: I understand the social

20 component, but what I don't understand, and maybe you

21 can help me -- my question is specific: Why did you

22 physically sit in the hotel room with Mr. Mulroney and

23 Mr. Schreiber? What was your understanding of that?

24 24928 MR. F. DOUCET: My recollection is

25 that it never crossed my mind. I went on the

1 invitation of Mr. Schreiber to the Pierre Hotel and I
2 arranged the meeting between the two of them. He told
3 me what he wanted the meeting to be about, and when we
4 got there I went along with Mr. Mulroney.

5 24929 MR. AUGER: Was it awkward when you
6 were sitting there and they were talking about business
7 that you weren't involved in?

8 24930 MR. F. DOUCET: Not really. Not
9 really. Certainly Mr. Mulroney was aware that I was on
10 with him and Mr. Schreiber said nothing at the door
11 when we arrived, that I shouldn't be there. I just
12 presumed that he was okay with it too.

13 24931 MR. AUGER: In any event, this was
14 the first time that you had heard anything about
15 Mr. Mulroney doing work in China, Russia or France;
16 correct?

17 24932 MR. F. DOUCET: Correct.

18 24933 MR. AUGER: And I think you had
19 indicated in your evidence that Mr. Mulroney was quite
20 eloquent and that you were quite impressed by his
21 presentation.

22 24934 MR. F. DOUCET: Correct.

23 24935 MR. AUGER: I take it, too, that you
24 were impressed by the potential opportunity that you
25 were hearing about?

1 24936 MR. F. DOUCET: I was -- yes, I would
2 say.

3 24937 MR. AUGER: The potential vast
4 markets that Mr. Mulroney was telling Mr. Schreiber
5 about, according to you.

6 24938 MR. F. DOUCET: I don't have too much
7 of a memory of the specifics. I have testified on what
8 I do recall.

9 24939 MR. AUGER: I'm not asking you about
10 the specifics; I'm asking you about your general
11 impression. And your general impression is that you
12 were impressed in a general way about the vast
13 potential market that Mr. Mulroney was reporting about.

14 24940 MR. F. DOUCET: I'm not sure I would
15 express it that way and I haven't testified that way.

16 24941 MR. AUGER: Did Mr. Mulroney in that
17 meeting report to Mr. Schreiber on the dates that he
18 travelled to China or Russia or France on behalf of
19 Bear Head or Mr. Schreiber?

20 24942 MR. F. DOUCET: I don't have a
21 recollection of that.

22 24943 MR. AUGER: Did you have the general
23 impression that Mr. Mulroney's travels as he reported
24 them in December of '94 were recent?

25 24944 MR. F. DOUCET: I don't have a clear

1 recollection of that.

2 24945 MR. AUGER: Obviously you travelled
3 back to Canada with Mr. Mulroney after that meeting.

4 24946 MR. F. DOUCET: As I have come to
5 discover. I had originally been of the view that I had
6 come back on my own. But so much for my memory.

7 24947 MR. AUGER: Was there discussion on
8 the trip back or thereafter with Mr. Mulroney about a
9 cooling off period for him?

10 24948 MR. F. DOUCET: I don't recall that
11 we discussed anything about the meeting coming back.

12 24949 MR. AUGER: Or thereafter?

13 24950 MR. F. DOUCET: As I say -- I'm
14 sorry.

15 24951 MR. AUGER: I'm sorry, go ahead.

16 24952 MR. F. DOUCET: I was going to say I
17 didn't even remember that I had come back with him.

18 24953 MR. AUGER: And when I use the term
19 "cooling off period", you are familiar with the meaning
20 of that as a former member of government?

21 24954 MR. F. DOUCET: Yes.

22 24955 MR. AUGER: And you in fact told the
23 Commissioner how you had negotiated a waiver of your
24 own cooling off period?

25 24956 MR. F. DOUCET: I don't recall that

1 activity at all. That was in 1988. That is fully 21
2 years ago.

3 24957 MR. AUGER: I understood from your
4 evidence yesterday that you had told the Commissioner
5 that you had obtained, if not negotiated but at least
6 obtained a waiver --

7 24958 MR. F. DOUCET: Correct.

8 24959 MR. AUGER: -- of a cooling off
9 period for you.

10 24960 MR. F. DOUCET: That's in the
11 document.

12 24961 MR. AUGER: Right. For you to get
13 started in your own business.

14 24962 MR. F. DOUCET: Correct.

15 24963 MR. AUGER: And you knew that that
16 was a requirement in order to go into private practice?

17 24964 MR. F. DOUCET: I'm sure I did.

18 24965 MR. AUGER: And even to this day you
19 have no recollection of a discussion or a mention of
20 cooling off period with Mr. Mulroney in terms of his
21 own obligations?

22 24966 MR. F. DOUCET: I have no
23 recollection of that.

24 24967 MR. AUGER: Thank you, sir. Those
25 are my questions.

1 24968 MR. F. DOUCET: You are welcome.

2 24969 MR. AUGER: Thank you, Commissioner.

3 24970 COMMISSIONER OLIPHANT: Thank you,
4 Mr. Auger.

5 24971 I trust that counsel -- no agreement
6 has been made as to the order?

7 24972 MR. PRATTE: I had spoken to
8 Mr. Auger. We had no questions. That's why he went.

9 24973 COMMISSIONER OLIPHANT: No questions
10 from you, Mr. Pratte. Thank you.

11 24974 Mr. Vickery?

12 24975 MR. VICKERY: No questions, thank
13 you.

14 24976 COMMISSIONER OLIPHANT: No questions.
15 24977 All right. Mr. Houston...?

16 EXAMINATION: FRED DOUCET BY MR. HOUSTON /
17 INTERROGATOIRE : FRED DOUCET PAR Me HOUSTON

18 24978 MR. HOUSTON: Mr. Doucet, when were
19 you born?

20 24979 What is your date of birth?

21 24980 MR. F. DOUCET: January 30, 1939.

22 24981 MR. HOUSTON: And you were born in
23 Cape Breton, Nova Scotia?

24 24982 MR. F. DOUCET: That's correct.

25 24983 MR. HOUSTON: And we have heard

1 discussion obviously over the past number of days about
2 the Bear Head Project, and you became familiar with
3 that in the mid-80s?

4 24984 MR. F. DOUCET: Yes.

5 24985 MR. HOUSTON: Some 25 years ago,
6 approximately, you first heard of it?

7 24986 MR. F. DOUCET: That would be about
8 right.

9 24987 MR. HOUSTON: Is it fair to say, sir,
10 that from the outset as a Cape Bretoner you talked up
11 this project any time you had an opportunity to do so?

12 24988 MR. F. DOUCET: That would probably
13 be fair. I don't particularly recall, but I think
14 being a Cape Bretoner I would be prone that way.

15 24989 MR. HOUSTON: Let's just talk about
16 your recollection then.

17 24990 You worked from 1983 with
18 Mr. Mulroney as Chief of Staff and then subsequent,
19 1984 to 1987, in his office and then you were working
20 with the summits?

21 24991 MR. F. DOUCET: Correct.

22 24992 MR. HOUSTON: And I assume, sir, in
23 that period of approximately five years you would have
24 met on numerous occasions with numerous individuals?

25 24993 MR. F. DOUCET: Yes.

- 1 24994 MR. HOUSTON: And over that five-year
2 period you would have communicated on a regular basis
3 with, I'm going to suggest, hundreds of different
4 people by telephone?
- 5 24995 MR. F. DOUCET: Absolutely.
- 6 24996 MR. HOUSTON: And so when Mr. Wolson
7 asked you specific questions about telephone
8 conversations with whether it be Senator Murray or some
9 Cabinet Minister, it could have been one of literally
10 hundreds of conversations you had in that period of
11 time?
- 12 24997 MR. F. DOUCET: Absolutely.
- 13 24998 MR. HOUSTON: So when you say you
14 don't recall, it's because you can't recall every
15 single conversation you had, I assume, in that period.
- 16 24999 MR. F. DOUCET: That's for sure.
- 17 25000 MR. HOUSTON: Would I be correct,
18 sir, that in the period of time from 1988 right through
19 until now you carried on your business and you have
20 again talked to numerous people in the course of your
21 business?
- 22 25001 MR. F. DOUCET: Absolutely.
- 23 25002 MR. HOUSTON: In person and by phone.
- 24 25003 MR. F. DOUCET: Yes.
- 25 25004 MR. HOUSTON: How many phone calls

1 would you average a day, four or five, more?

2 25005 MR. F. DOUCET: When I was in

3 business or in government?

4 25006 MR. HOUSTON: How about right now,

5 sir, in business, over the last 20 years? Just a rough

6 guess, sir.

7 25007 MR. F. DOUCET: Yeah, well if I --

8 25008 MR. HOUSTON: What are we talking

9 about, five, ten?

10 25009 MR. F. DOUCET: Well, once upon a

11 time in the early phases of my business, probably more

12 like 100 a day.

13 25010 MR. HOUSTON: A hundred a day?

14 25011 MR. F. DOUCET: Yes.

15 25012 MR. HOUSTON: So we could be

16 talking --

17 25013 MR. F. DOUCET: In the last --

18 25014 MR. HOUSTON: I'm sorry, sir?

19 25015 MR. F. DOUCET: I was going to say in

20 the more recent past many, many fewer.

21 25016 MR. HOUSTON: How many is many fewer?

22 25017 MR. F. DOUCET: Probably down to half

23 a dozen or so.

24 25018 MR. HOUSTON: But even half a dozen

25 or so, you would still be communicating 50 or 60 times

1 a day, even recently?

2 25019 MR. F. DOUCET: Fifty or 60 --

3 25020 MR. HOUSTON: A week, I should say.

4 25021 MR. F. DOUCET: A week, yes.

5 25022 MR. HOUSTON: So we are talking even

6 recently, 200 or 300 conversations a day and back 20

7 years ago it was more in the range of thousands of

8 conversations?

9 25023 MR. F. DOUCET: Correct.

10 25024 MR. HOUSTON: Just while we are on

11 it, sir -- and I will come back to it -- when you

12 started your business in 1988, I assume on a regular

13 basis you sent letters to people?

14 25025 MR. F. DOUCET: Yes.

15 25026 MR. HOUSTON: You sent memos to

16 people?

17 25027 MR. F. DOUCET: Yes.

18 25028 MR. HOUSTON: You would send notes to

19 people from time to time?

20 25029 MR. F. DOUCET: Like faxes and --

21 25030 MR. HOUSTON: Faxes.

22 25031 MR. F. DOUCET: Yes.

23 25032 MR. HOUSTON: We didn't have e-mail

24 notes, as best as I can remember, back then.

25 25033 How many times a week would you do

1 that, sir, back in '88? Are we talking dozens?

2 25034 MR. F. DOUCET: Oh many, yes.

3 25035 MR. HOUSTON: So from 1988 to 1994,

4 would you be sending on a regular basis hundreds if not

5 a few thousands of notes and e-mail -- faxes and

6 letters to clients?

7 25036 MR. F. DOUCET: Over what period?

8 25037 MR. HOUSTON: On an annual basis in

9 the '80s and the '90s?

10 25038 MR. F. DOUCET: Certainly in the

11 thousands.

12 25039 MR. HOUSTON: All right. Some

13 letters you would remember, some you wouldn't. Is that

14 fair?

15 25040 MR. F. DOUCET: That is fair. Most I

16 wouldn't.

17 25041 MR. HOUSTON: Okay. We will come

18 back to some letters then, sir.

19 25042 We have heard about your heart

20 condition, sir. When did you have your operation?

21 --- Pause

22 25043 MR. HOUSTON: It was April 1988, was

23 it not?

24 25044 Are you all right? Do you want to

25 take a break?

1 25045 Perhaps we could take a break,
2 Mr. Commissioner?
3 25046 COMMISSIONER OLIPHANT: Certainly.
4 25047 Perhaps you could just let me know
5 when Mr. Doucet is able to go on.
6 25048 MR. HOUSTON: Yes. Thank you, sir.
7 Very good.
8 --- Upon recessing at 2:40 p.m. / Suspension à 14 h 40
9 --- Upon resuming at 2:50 p.m. / Reprise à 14 h 50
10 25049 COMMISSIONER OLIPHANT: Be seated,
11 please.
12 25050 MR. HOUSTON: How are you doing,
13 Mr. Doucet?
14 25051 MR. F. DOUCET: I'm fine, I hope.
15 25052 COMMISSIONER OLIPHANT: As I
16 indicated to you yesterday, Mr. Doucet, if you have a
17 problem -- and I can appreciate that you do -- just let
18 me know.
19 25053 MR. F. DOUCET: I appreciate it.
20 Thank you. I apologize.
21 25054 COMMISSIONER OLIPHANT: You don't
22 have to apologize.
23 25055 MR. HOUSTON: I appreciate that it's
24 emotional. Could you just tell the Commissioner
25 briefly when the surgery was, sir.

1 25056 MR. F. DOUCET: Twenty-one years ago.

2 25057 MR. HOUSTON: It was August of -- I'm
3 sorry, April of 1988?

4 25058 MR. F. DOUCET: Correct.

5 25059 MR. HOUSTON: And you convalesced for
6 a period of time, I assume?

7 25060 MR. F. DOUCET: I did.

8 25061 MR. HOUSTON: And you told us, sir,
9 that you left the government service in August of 1988
10 and, in the vernacular, hung up your shingle.

11 25062 MR. F. DOUCET: Correct.

12 25063 MR. HOUSTON: And you told Mr. Wolson
13 that over the course of a period of time you built up a
14 clientele.

15 25064 MR. F. DOUCET: Yes.

16 25065 MR. HOUSTON: And you started -- did
17 you start slowly or did you have the clients knocking
18 on the door fairly quickly?

19 25066 MR. F. DOUCET: Well, not -- I think
20 more like me knocking on their doors.

21 25067 MR. HOUSTON: Was that successful in
22 the sense of signing up clients, if I may use that
23 terminology?

24 25068 MR. F. DOUCET: For my standards, I
25 thought it was pretty successful, yes.

1 25069 MR. HOUSTON: All right.

2 25070 Now, you told us, sir, that your
3 pattern was over the years to engage in retainerships,
4 as you call it, with your clients?

5 25071 MR. F. DOUCET: Correct.

6 25072 MR. HOUSTON: And from the outset
7 your evidence has been that that was your relationship
8 with Mr. Schreiber and his companies?

9 25073 MR. F. DOUCET: Correct.

10 25074 MR. HOUSTON: Just when we talk about
11 his companies, sir -- there was a brief mention to
12 it -- would you look at -- it is Tab 10, Mr.
13 Commissioner, Binder 1. I will just be referring to
14 Binder 1, sir.

15 25075 There were two companies that you
16 were registered as a lobbyist for; correct, Mr. Doucet?

17 25076 MR. F. DOUCET: Correct, yes.

18 25077 MR. HOUSTON: We see at Binder 1
19 "Bitucan Holdings Ltd."

20 25078 MR. F. DOUCET: Correct.

21 25079 MR. HOUSTON: And the document is
22 signed by you at the bottom on the 5th day of October
23 1989, the bottom right-hand corner?

24 25080 MR. F. DOUCET: Correct.

25 25081 MR. HOUSTON: And the company is

1 shown as Bitucan Holdings with Mr. Karlheinz Schreiber
2 as the client, the corporate officer?

3 25082 MR. F. DOUCET: Correct.

4 25083 MR. HOUSTON: If we turn over four
5 pages, we see a lobby registration document for Bear
6 Head Industries Limited.

7 25084 MR. F. DOUCET: Correct.

8 25085 MR. HOUSTON: Again signed by you on
9 the 5th of October 1989?

10 25086 MR. F. DOUCET: Correct.

11 25087 MR. HOUSTON: Mr. Greg Alford is
12 shown as the corporate executive.

13 25088 MR. F. DOUCET: Correct.

14 25089 MR. HOUSTON: Just by way of
15 information, Mr. Commissioner, as part of my
16 argument -- and Mr. Doucet briefly referred to it -- it
17 is a matter of law that the law was proclaimed in force
18 on the 30th -- effective the 30th of September 1989. I
19 will file the relevant legislation in due course.

20 25090 COMMISSIONER OLIPHANT: Thank you.

21 25091 MR. HOUSTON: Mr. Doucet, you have
22 told the Commissioner that you do not recall the
23 invoice for \$90,000.

24 25092 MR. F. DOUCET: That is correct.

25 25093 MR. HOUSTON: Would you just turn to

1 it briefly, sir? It is at Tab 8 of the material you
2 have in front of you.

3 25094 MR. F. DOUCET: Okay. I'm there.

4 25095 MR. HOUSTON: Your invoice reads:
5 "Re: Professional Services".

6 25096 MR. F. DOUCET: That's correct.

7 25097 MR. HOUSTON: It doesn't read "Re:
8 (Professional) services rendered".

9 25098 MR. F. DOUCET: No.

10 25099 MR. HOUSTON: Just by way of
11 comparison, the invoices that we also see are worded
12 "Re: two professional services rendered by Gerald
13 Doucet", your brother.

14 25100 MR. F. DOUCET: I see that.

15 25101 MR. HOUSTON: And Mr. Moores "For
16 (Professional) Services Rendered by Frank D. Moores on
17 your behalf".

18 25102 MR. F. DOUCET: I see that.

19 25103 MR. HOUSTON: The company says "Re:
20 Consulting Services Rendered".

21 25104 MR. F. DOUCET: I'm sorry, where are
22 you?

23 25105 MR. HOUSTON: The next invoice after
24 Mr. Moores.

25 25106 MR. F. DOUCET: Yes.

1 25107 MR. HOUSTON: Do you see that?

2 25108 MR. F. DOUCET: Yes, I see that.

3 25109 MR. HOUSTON: And Lemoine Consultants
4 Inc. likewise reads "For professional Services
5 rendered".

6 25110 MR. F. DOUCET: Correct.

7 25111 MR. HOUSTON: When you invoiced a
8 client or sent out a retainer, did you send the invoice
9 in the way you have done this particular invoice to
10 Bitucan, "Re: Professional Services"?

11 25112 Is that the way you invoiced them for
12 a retainer?

13 25113 MR. F. DOUCET: That would be the way
14 I would traditionally invoice, yes.

15 25114 MR. HOUSTON: All right.

16 25115 Now, sir, bearing in mind that you
17 have no recollection of this, this document, the
18 invoice, came to your attention at or around the time
19 that you had testified before the Ethics Committee?

20 25116 MR. F. DOUCET: That is correct.

21 25117 MR. HOUSTON: You were not in a
22 position, again to use the vernacular, to compare
23 notes, in other words to check with Mr. Moores or
24 Mr. Ouellet, were you, because both are deceased.

25 25118 MR. F. DOUCET: Correct.

1 25119 MR. HOUSTON: Again I appreciate it
2 is a delicate matter, but your brother Gerald is not
3 well?

4 25120 MR. F. DOUCET: Correct.

5 25121 MR. HOUSTON: And I understand his
6 health condition is such you cannot carry on a
7 conversation with him in any meaningful fashion.

8 25122 MR. F. DOUCET: Correct.

9 25123 MR. HOUSTON: So you were not in a
10 position, even as recently as February of '08, to
11 discuss with Gerald any recollections he had for these
12 documents, given his condition?

13 25124 MR. F. DOUCET: No.

14 25125 MR. HOUSTON: From the outset you
15 were working for Bear Head. Did you differentiate, by
16 the way, sir, between Bear Head and Bitucan when you
17 worked with and for Mr. Schreiber?

18 25126 MR. F. DOUCET: I don't think so. I
19 think the two, certainly in my mind, were really one.

20 25127 MR. HOUSTON: Mr. Frank Moores, he
21 has been, as Mr. Wolson went through with you -- or
22 was, I should say, a long time friend of yours?

23 25128 MR. F. DOUCET: Yes.

24 25129 MR. HOUSTON: You and he enjoyed
25 fishing?

1 25130 MR. F. DOUCET: Yes.

2 25131 MR. HOUSTON: And I understand on a
3 regular annual basis you went fishing --

4 25132 MR. F. DOUCET: Yes.

5 25133 MR. HOUSTON: -- often with him.

6 25134 MR. F. DOUCET: Indeed.

7 25135 MR. HOUSTON: At any point in the
8 period of time that you knew Mr. Doucet(sic) from -- I
9 gather from the '70s up until the time of his death,
10 did you ever have a falling out with him?

11 25136 MR. F. DOUCET: Never.

12 25137 MR. HOUSTON: Were you ever engaged
13 in a spat with him, such as I understand one time
14 described by Mr. Schreiber that you stopped talking to
15 one another?

16 25138 MR. F. DOUCET: That is not true.
17 The only spat I ever had with Mr. Moores was on the
18 fishing river.

19 25139 MR. HOUSTON: Who got the biggest
20 fish.

21 25140 MR. F. DOUCET: That's correct.

22 25141 MR. HOUSTON: I'm going to take you,
23 sir, to June of 1993.

24 25142 MR. F. DOUCET: Yes.

25 25143 MR. HOUSTON: You have already told

1 the Commissioner and it's in the notes -- Mr. Wolson
2 has been through it -- that a meeting was held with
3 Mr. Mulroney on the 3rd of June of 1993.

4 25144 MR. F. DOUCET: Correct.

5 25145 MR. HOUSTON: But you don't have any
6 specific recollection of that meeting?

7 25146 MR. F. DOUCET: I don't, other than
8 someone noting for me that there was a picture.

9 25147 MR. HOUSTON: All right. There is a
10 picture I understand, which will be introduced, I
11 further understand, in the record which shows
12 Mr. Mulroney, yourself, Mr. Schreiber and
13 Mr. Mclaughlin who you identified yesterday.

14 25148 MR. F. DOUCET: Correct.

15 25149 MR. HOUSTON: A picture that I
16 further understand probably was taken on the 3rd of
17 June 1993.

18 25150 MR. F. DOUCET: That's my best
19 recollection, that would be the case, yes.

20 25151 MR. HOUSTON: From 1988-'89 through
21 1993 you on a regular basis discussed matters involving
22 Bear Head obviously with Mr. Schreiber?

23 25152 MR. F. DOUCET: From what years to
24 what years?

25 25153 MR. HOUSTON: From '88-'89 through

1 June of 1993 you discussed Bear Head?

2 25154 MR. F. DOUCET: Yes, absolutely.

3 25155 MR. HOUSTON: So if there were

4 discussions involving Bear Head involving Mr. Schreiber

5 and Mr. Mulroney, it wouldn't be unusual for you to sit

6 in on them, as you did -- I'm going to jump forward to

7 the Pierre Hotel.

8 25156 They were discussing matters that you

9 had heard of --

10 25157 MR. F. DOUCET: Absolutely

11 25158 MR. HOUSTON: -- Bear Head.

12 25159 MR. F. DOUCET: Absolutely.

13 25160 MR. HOUSTON: Very briefly, sir,

14 there is reference then to the meeting at Harrington

15 Lake.

16 25161 Your evidence, as I understand it, is

17 you have no recollection that you had a role in setting

18 up that meeting?

19 25162 MR. F. DOUCET: I have no such

20 recollection.

21 25163 MR. HOUSTON: You have examined your

22 diary for June of 1993?

23 25164 MR. F. DOUCET: I have.

24 25165 MR. HOUSTON: And I understand that

25 it reflects, on the 17th of June 1993, that you left on

1 your annual fishing trip.

2 25166 MR. F. DOUCET: That was the first of
3 the annuals.

4 25167 MR. HOUSTON: I see.

5 25168 And I further understand, sir, that
6 it reflects that, on the 24th of June, you returned
7 from the Gaspé, where the fishing trip had taken place,
8 to Ottawa.

9 25169 MR. F. DOUCET: That's correct.

10 25170 MR. HOUSTON: Did you know of the
11 meeting at Harrington Lake in June of 1993?

12 25171 MR. F. DOUCET: I have no
13 recollection of knowing of the meeting.

14 25172 MR. HOUSTON: Now, you have told us
15 the role that you played with respect to the meeting at
16 Mirabel.

17 25173 MR. F. DOUCET: Yes.

18 25174 MR. HOUSTON: You have also told us
19 of the memory you have of a conversation with Mr.
20 Schreiber.

21 25175 MR. F. DOUCET: Correct.

22 25176 MR. HOUSTON: Why do you remember
23 that one, as opposed to some other conversations, Mr.
24 Doucet?

25 25177 MR. F. DOUCET: Well, I remember it

1 because it represented an assignment to Mr. Mulroney,
2 or at least the implication was that this is what was
3 being sought for the meeting, and I recall that I found
4 that to be a happy moment, because Mr. Mulroney was
5 about to enter the private sector and here was a
6 client.

7 25178 So that registered with me.

8 25179 And I had, of course, had Mr.
9 Schreiber as a client, and a good client, so I was
10 pleased with that.

11 25180 MR. HOUSTON: I have already, sir,
12 briefly touched on the fact that you, over the years,
13 sent and received numerous pieces of correspondence.

14 25181 MR. F. DOUCET: I'm sorry?

15 25182 MR. HOUSTON: I have already touched
16 on the fact that over the period of time you were in
17 business, at least between 1988 and 1993-94, you sent
18 and received numerous pieces of correspondence.

19 25183 MR. F. DOUCET: Correct.

20 25184 MR. HOUSTON: Some you might
21 remember; a lot you would have forgotten.

22 25185 MR. F. DOUCET: That's for sure.

23 25186 MR. HOUSTON: As an example of a
24 piece of correspondence that has been identified that
25 you recall, would you turn to Tab 24, sir.

1 25187 MR. F. DOUCET: Yes, I am there.

2 25188 MR. HOUSTON: Again, Mr. Wolson has
3 already referred this particular letter to you. You
4 remember this letter, do you?

5 25189 MR. F. DOUCET: This is the letter of
6 April 19th?

7 25190 MR. HOUSTON: Yes, 1992. You are
8 expressing your opinion on the status of the Bear Head
9 Project to Mr. Schreiber.

10 25191 MR. F. DOUCET: Correct.

11 25192 MR. HOUSTON: And you are giving him
12 some advice.

13 25193 MR. F. DOUCET: Yes.

14 25194 MR. HOUSTON: This is a letter that
15 you looked at and said, "I remember this one."

16 25195 MR. F. DOUCET: Yes.

17 25196 MR. HOUSTON: Now, it is April 1992.
18 Would you turn, sir, to Tab 58, one month before it?

19 25197 MR. F. DOUCET: Yes, I am there.

20 25198 MR. HOUSTON: It is a letter dated
21 the 24th of March 1992.

22 25199 MR. F. DOUCET: Correct.

23 25200 MR. HOUSTON: It's a very brief note.
24 You can read it; we all can read it.

25 25201 MR. F. DOUCET: Yes.

1 25202 MR. HOUSTON: You have already told
2 the Commissioner that you don't remember it.

3 25203 MR. F. DOUCET: I do not.

4 25204 MR. HOUSTON: It is what I would
5 describe, sir, as a non-report, and by that I suggest
6 that all it says is -- by reading it -- Mr. Schreiber,
7 you asked me to get in touch with Mr. Moores --

8 25205 That's "F.M.", right?

9 25206 MR. F. DOUCET: Correct.

10 25207 MR. HOUSTON: -- I have tried, and I
11 have not succeeded. "Yours very truly..."

12 25208 MR. F. DOUCET: That's right.

13 25209 MR. HOUSTON: A mundane note that
14 might mean absolutely nothing to you, even within a day
15 or two of signing it and sending it off.

16 25210 Is that not fair?

17 25211 MR. F. DOUCET: That is probably
18 fair.

19 25212 MR. HOUSTON: Jump forward, sir, to
20 the note at Tab --

21 25213 COMMISSIONER OLIPHANT: Mr. Houston,
22 I'm sorry. Did you say that this letter says that Mr.
23 Doucet was asked to contact Mr. Moores?

24 25214 MR. HOUSTON: What it says, sir, as I
25 read it --

1 25215 COMMISSIONER OLIPHANT: It says that
2 by now he should have heard from Mr. Moores.

3 25216 MR. HOUSTON: He should have heard
4 from Mr. Moores. I'm sorry.

5 25217 COMMISSIONER OLIPHANT: Yes, that's
6 quite different.

7 25218 MR. HOUSTON: Yes, I concede that.
8 I'm sorry, Mr. Commissioner, you are quite right.

9 25219 It indicates, sir, that you haven't
10 heard from Mr. Moores.

11 25220 MR. F. DOUCET: That's correct.

12 25221 MR. HOUSTON: And you are simply
13 reporting that.

14 25222 MR. F. DOUCET: Correct.

15 25223 MR. HOUSTON: And nothing more.

16 25224 MR. F. DOUCET: That's correct.

17 25225 MR. HOUSTON: The note, then, at Tab
18 60 --

19 25226 MR. F. DOUCET: Yes?

20 25227 MR. HOUSTON: Again, sir, I
21 understand that you have indicated that you don't
22 remember this note, but just the opening few lines --
23 again, we can read it.

24 25228 MR. F. DOUCET: Yes.

25 25229 MR. HOUSTON: It is dated April 1994.

1 25230 MR. F. DOUCET: Yes.

2 25231 MR. HOUSTON:

3 "I have now been able to carry

4 out (once again) my assignment

5 to find out accurately how many

6 A320s were bought and fully paid

7 by Air Canada directly from the

8 Airbus Company."

9 25232 "My assignment" -- you don't know who

10 assigned you that, but you are reporting to Mr.

11 Schreiber. Correct?

12 25233 MR. F. DOUCET: I am presuming

13 that --

14 25234 MR. HOUSTON: By just reading the

15 letter.

16 25235 MR. F. DOUCET: -- it was his

17 assignment to me.

18 25236 MR. HOUSTON: Right. And you report

19 to him certain information, and, again, you don't

20 remember that letter. That's what you told the

21 Commission.

22 25237 MR. F. DOUCET: I have no memory at

23 all of that letter.

24 25238 MR. HOUSTON: If you turn back, then,

25 sir, to the note immediately before it -- August

1 1993 --

2 25239 MR. F. DOUCET: Yes, I am there.

3 25240 MR. HOUSTON: You are reporting, in

4 the memo dated that date, the information that you

5 received from Mr. -- at least that's what the letter

6 reads, or the note reads -- that Mr. Biro confirmed the

7 delivery of 34 -- or the purchase of 34 Airbus units.

8 25241 MR. F. DOUCET: I see that.

9 25242 MR. HOUSTON: And there is reference

10 to relaying the information to "F.M." -- Frank Moores.

11 25243 MR. F. DOUCET: Correct.

12 25244 MR. HOUSTON: And there is the memo

13 from the Air Canada representative.

14 25245 MR. F. DOUCET: Yes.

15 25246 MR. HOUSTON: I appreciate, sir, that

16 you have no recollection of it. Do you have any

17 knowledge of what "investor relations" relates to?

18 25247 MR. F. DOUCET: Well, I have no

19 recollection, but I presume that --

20 25248 MR. HOUSTON: Don't presume. If you

21 don't know, sir, you can tell the Commissioner.

22 25249 I understand that it relates to

23 shareholders of the company who wish to receive

24 information.

25 25250 MR. F. DOUCET: Correct.

1 25251 MR. HOUSTON: And the number of
2 Airbus units delivered is simply noted in the message
3 at the bottom of this page.

4 25252 MR. F. DOUCET: It appears to be
5 that, yes.

6 25253 MR. HOUSTON: Apart from reading it,
7 you have no recollection of it?

8 25254 MR. F. DOUCET: I have no
9 recollection of it at all.

10 25255 MR. HOUSTON: It would appear on the
11 two notes that you report to Mr. Schreiber in 1993, and
12 you report again, at least according to the notes, in
13 1994 some information.

14 25256 MR. F. DOUCET: It would appear to be
15 that.

16 25257 MR. HOUSTON: Again, I would suggest
17 that they are what I would describe as somewhat mundane
18 notes, in the sense of simply reporting information
19 that you had received -- according to the notes, at
20 least.

21 25258 MR. F. DOUCET: Yes.

22 25259 MR. HOUSTON: Having been a
23 delightful passenger from time to time on Air Canada,
24 if you look in the on-flight booklet that they provide
25 to us, they tell us from time to time what the fleet is

1 in Air Canada. Correct?

2 25260 They tell us how many units of 727s
3 or Airbus units they have?

4 25261 MR. F. DOUCET: Yes, I seem to recall
5 that.

6 25262 MR. HOUSTON: There is nothing
7 startling about the number of units of Airbus that Air
8 Canada had as of any year?

9 25263 Or do you know that, one way or the
10 other, sir?

11 25264 MR. F. DOUCET: I don't know that,
12 one way or the other.

13 25265 MR. HOUSTON: In any event, you
14 simply have no recollection of these particular notes.

15 25266 MR. F. DOUCET: None at all.

16 25267 MR. HOUSTON: These notes have been
17 received from time to time, along with, as you have
18 described to the Commissioner, perhaps hundreds of
19 other notes in `92, `93 and `94.

20 25268 MR. F. DOUCET: Correct.

21 25269 MR. HOUSTON: In 1994, sir, you
22 journeyed down to New York City with Mr. Mulroney.

23 25270 MR. F. DOUCET: Correct.

24 25271 MR. HOUSTON: Mr. Schreiber has
25 advised the Commissioner that you were uninvited and

1 unexpected.

2 25272 Are you aware of that evidence?

3 25273 MR. F. DOUCET: I am aware.

4 25274 MR. HOUSTON: Your evidence is that

5 you spoke to him by phone.

6 25275 MR. F. DOUCET: Correct.

7 25276 MR. HOUSTON: And you had made

8 plans -- reservations to journey to New York City?

9 25277 The reservations were made for you,

10 at least?

11 25278 MR. F. DOUCET: Yes.

12 25279 MR. HOUSTON: And we have already had

13 reference to the materials that you received from Mr.

14 Alford and sent along to Mr. Mulroney's office in

15 advance of the meeting?

16 25280 MR. F. DOUCET: Correct.

17 25281 MR. HOUSTON: When you showed up at

18 the hotel room, did Mr. Schreiber express some

19 surprise, say something to the effect of, "What are you

20 doing here?"

21 25282 MR. F. DOUCET: Absolutely not.

22 25283 MR. HOUSTON: Did he, at any time,

23 say, "Get out, you're not invited"?

24 25284 MR. F. DOUCET: No.

25 25285 MR. HOUSTON: You told us that you

1 recall sitting either on a two-seater or a couch,
2 side-by-side with Mr. Mulroney, and Mr. Schreiber
3 across a small table, seated across from the two of
4 you.

5 25286 MR. F. DOUCET: Correct.

6 25287 MR. HOUSTON: You have that clear
7 recollection?

8 25288 MR. F. DOUCET: Very clear.

9 25289 MR. HOUSTON: And you have already
10 described what you recall was discussed on that
11 particular day?

12 25290 MR. F. DOUCET: Correct.

13 25291 MR. HOUSTON: Did you hear at any
14 point, sir, any reference to anything that Mr. Mulroney
15 was going to be doing in Canada at that time, or at any
16 time, from Mr. Schreiber?

17 25292 MR. F. DOUCET: I have no
18 recollection of hearing anything of that nature.

19 25293 MR. HOUSTON: During the time that
20 the meeting took place, did you ever get up and speak
21 on the phone?

22 25294 MR. F. DOUCET: No.

23 25295 MR. HOUSTON: Were you seated
24 throughout the meeting that took place, to the best of
25 your recollection?

1 25296 MR. F. DOUCET: To the best of my
2 recollection.

3 25297 MR. HOUSTON: Was the demeanour of
4 both of them congenial throughout the discussion?

5 25298 MR. F. DOUCET: Very much so.

6 25299 MR. HOUSTON: And, likewise, when you
7 journeyed down to spend lunch with Mr. MacKay and his
8 wife?

9 25300 MR. F. DOUCET: Absolutely.

10 25301 MR. HOUSTON: And, from your
11 perspective, when you departed -- at least when you saw
12 Mr. Mulroney depart, he was on good terms with Mr.
13 Schreiber?

14 25302 MR. F. DOUCET: Yes.

15 25303 MR. HOUSTON: We have heard described
16 in detail, sir, the notes that you took in 1999,
17 particularly at your home in December of 1999.

18 25304 MR. F. DOUCET: Correct.

19 25305 MR. HOUSTON: You attempted to
20 record, as accurately as you could, very shortly after
21 the meeting, what you recall Mr. Schreiber said to you.

22 25306 MR. F. DOUCET: Correct.

23 25307 MR. HOUSTON: You weren't relying on
24 memory of events that had taken place weeks, if not
25 months, if not years before that.

1 25308 MR. F. DOUCET: No.

2 25309 MR. HOUSTON: You were talking of
3 events just an hour or so prior to your notetaking.

4 25310 MR. F. DOUCET: Correct.

5 25311 MR. HOUSTON: And you attempted, to
6 the best of your ability, to record what you recall he
7 said to you.

8 25312 MR. F. DOUCET: Correct.

9 25313 MR. HOUSTON: And, likewise, when you
10 made the notes in January at the Royal York Hotel, it
11 was the same procedure, you attempted to record, as
12 accurately as you could, what you heard him say that
13 day?

14 25314 MR. F. DOUCET: Or the exchange, for
15 that matter.

16 25315 MR. HOUSTON: The mandate note -- it
17 has already been discussed in great detail. The
18 handwriting on the document was all done in your
19 presence?

20 25316 MR. F. DOUCET: Absolutely.

21 25317 MR. HOUSTON: Mr. Commissioner, after
22 some effort, we have located the original. I thought
23 we would have it here today, but it is now safely in
24 the hands of your counsel. I had planned to have Mr.
25 Doucet refer to it, but I would request, sir, that the

1 original be filed with the Commission.

2 25318 You have seen the original in my
3 office, Mr. Doucet?

4 25319 MR. F. DOUCET: I have, yes.

5 25320 MR. HOUSTON: And the document that,
6 on your behalf, I delivered to Commission counsel, is
7 the document that was written on by both you and Mr.
8 Schreiber, in your presence?

9 25321 MR. F. DOUCET: Correct.

10 25322 MR. HOUSTON: Thank you very much,
11 sir.

12 25323 Those are my questions, Mr.
13 Commissioner.

14 25324 COMMISSIONER OLIPHANT: Thank you
15 very much, Mr. Houston.

16 25325 Mr. Wolson...

17 25326 MR. WOLSON: Yes, I have one area of
18 re-examination.

19 EXAMINATION: FRED DOUCET BY MR. WOLSON /
20 INTERROGATOIRE: FRED DOUCET PAR Me WOLSON

21 25327 MR. WOLSON: I want to ask you, sir,
22 about the 3rd of June of 1993. That was an area that I
23 had covered, and your counsel just asked you about it.
24 You said that there was a photo taken of you --
25 25328 Who was the photo of?

1 25329 MR. F. DOUCET: I'm sorry?

2 25330 MR. WOLSON: Who was the photo of?

3 25331 MR. F. DOUCET: The photo that I have
4 seen had Mr. Mulroney, Mr. Schreiber, Mr.
5 MacLaughlin -- David MacLaughlin -- and myself.

6 25332 MR. WOLSON: And why did that happen,
7 or how did that happen?

8 25333 MR. F. DOUCET: I think, most of the
9 time, after Question Period, when meetings were held --
10 that is, in the Centre Block of Parliament -- when
11 meetings were held with Mr. Mulroney, the
12 photographer -- the official photographer of the Prime
13 Minister -- took pictures of whoever was there.

14 25334 MR. WOLSON: Was there an opportunity
15 for the photo --

16 25335 Obviously, if one were taken.

17 25336 MR. F. DOUCET: Yes.

18 25337 MR. WOLSON: So there was a social
19 component to the visit, obviously. There would be no
20 other reason to take a photograph, other than a memento
21 to people perhaps that were there.

22 25338 MR. F. DOUCET: Conceivably, but I
23 just want to let you know, and the Commission, that
24 this happened all the time during that particular time
25 slot. The official photographer was around always.

1 25339 MR. WOLSON: What would happen to the
2 photograph?

3 25340 MR. F. DOUCET: I'm sorry?

4 25341 MR. WOLSON: What happened to the
5 photograph? Did you get a copy, for instance?

6 25342 MR. F. DOUCET: I didn't.
7 25343 Most of the time the photographs
8 would be sent to the people who were photographed.

9 25344 MR. WOLSON: So you would expect,
10 then, that Mr. Schreiber -- obviously, you probably had
11 many photographs with the Prime Minister.

12 25345 MR. F. DOUCET: Yes, I did.

13 25346 MR. WOLSON: So the idea would be
14 that you would take a photograph with a guest --

15 25347 MR. F. DOUCET: Yes.

16 25348 MR. WOLSON: -- and that would be a
17 very nice memento of a visit with that person.

18 25349 MR. F. DOUCET: Correct.

19 25350 MR. WOLSON: It's a nice human touch.

20 25351 MR. F. DOUCET: That was the purpose
21 of the photographs.

22 25352 MR. WOLSON: Right.

23 25353 Thanks so much.

24 25354 MR. F. DOUCET: You're welcome.

25 25355 COMMISSIONER OLIPHANT: Is there any

1 reason why Mr. Doucet ought not to be excused at this
2 point in time?

3 25356 MR. WOLSON: None at all.

4 25357 COMMISSIONER OLIPHANT: Mr. Doucet,
5 thank you very much, sir, you are free to leave.

6 25358 MR. F. DOUCET: Thank you.

7 25359 MR. WOLSON: It is 3:15, and I have
8 no other witnesses available for today. I am about to
9 duck behind the lectern, because I know you like to
10 have matters proceed along the way, but I know that all
11 counsel have a lot of work to do, in various areas, and
12 we could use the time for sure. I assure you that we
13 are on time, Mr. Commissioner --

14 25360 COMMISSIONER OLIPHANT: We will stop
15 now, Mr. Wolson, that's fine.

16 --- Laughter / Rires

17 25361 COMMISSIONER OLIPHANT: You and I
18 will talk when we get back to the office.

19 25362 MR. WOLSON: I am sure we will.

20 --- Laughter / Rires

21 25363 MR. WOLSON: In any event, we are on
22 time.

23 25364 COMMISSIONER OLIPHANT: Fine.

24 Nine-thirty tomorrow morning, and I understand that
25 former Prime Minister Campbell will be the witness.

1 25365 MR. WOLSON: She will be, and also
2 Mr. Beatty tomorrow, and I think that Mr. Roitenberg is
3 going to see whether he could be on standby for the
4 morning, because I don't think the former Prime
5 Minister will be on the stand for a lengthy period of
6 time.

7 25366 So, hopefully, we can proceed with
8 Mr. Beatty right afterwards.

9 25367 COMMISSIONER OLIPHANT: The question
10 begs to be asked, if we finish with Mr. Beatty by noon
11 or so, what are we doing tomorrow afternoon, Mr.
12 Wolson?

13 25368 MR. WOLSON: We are working.

14 25369 COMMISSIONER OLIPHANT: I see.

15 25370 MR. WOLSON: It may not be before
16 you, but I assure you that my friends have a lot of
17 work to do, as do your counsel.

18 25371 COMMISSIONER OLIPHANT: I understand
19 that.

20 25372 Thank you very much. Good afternoon,
21 counsel.

22 --- Whereupon the hearing adjourned at 3:20 p.m., to
23 resume on Wednesday, April 29, 2009 at 9:30 a.m. /
24 L'audience est adjournée à 15 h 20, pour reprendre
25 le mercredi 29 avril 2009 à 09 h 30

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We hereby certify that we have accurately
transcribed the foregoing to the best of
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Nous certifions que ce qui précède est une
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de nos connaissances et de nos compétences.

Lynda Johansson Jean Desaulniers

Fiona Potvin Sue Villeneuve