

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



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

## Public Hearing

## Audience publique

**Commissioner**

L'Honorable juge /  
The Honourable Justice  
Jeffrey James Oliphant

**Commissaire**

**Held at:**

Bytown Pavillion  
Victoria Hall  
111 Sussex Drive  
Ottawa, Ontario

Thursday, May 7, 2009

**Tenue à :**

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

le jeudi 7 mai 2009

**APPEARANCES / COMPARUTIONS**

Mr. Jack Hughes  
Mr. A. Samuel Wakim, Q.C.

The Right Honourable Brian Mulroney

Mr. Richard Auger

Mr. Karlheinz Schreiber

Mr. Paul B. Vickery  
Mr. Yannick Landry  
Me Philippe Lacasse

Attorney General of Canada

Mr. Robert E. Houston, Q.C.

Mr. Fred Doucet

Mr. Evan Roitenberg  
Mr. Guiseppe Battista  
Ms Myriam Corbeil  
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Registrar

Ms Anne Chalmers  
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Commission Staff

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I	Letter from Canada Border Services Agency, signed by Samiah Ibrahim, Manager of the Forensic Documents Examination Section, dated May 5, 2009	3266

1 Ottawa, Ontario / Ottawa (Ontario)

2 --- Upon resuming on Thursday, May 7, 2009

3 at 9:32 a.m. / L'audience reprend le jeudi

4 7 mai 2009 à 9 h 32

5 31779 COMMISSIONER OLIPHANT: Good morning,  
6 counsel. Be seated, please.

7 31780 Mr. Wolson...?

8 31781 MR. WOLSON: Good morning, sir.

9 31782 This morning Mr. Schreiber will be  
10 testifying and he will be testifying on two particular  
11 matters, one regarding Navigant. They were just called  
12 yesterday, and it is appropriate that counsel ask him  
13 questions.

14 31783 I still have a right of  
15 re-examination and I plan to do that this morning as  
16 well. It would be easier if I did it all together.  
17 When I do that, I will advise you when I am  
18 re-examining and when I am dealing with Navigant,  
19 because there has to be some finality. I expect that  
20 counsel have asked all their questions on the evidence  
21 as a whole and the only thing left for counsel would be  
22 to question on Navigant.

23 31784 I haven't asked counsel, but if you  
24 were to clarify that, then I can proceed and ask all my  
25 questions at one time, whether they are re-examination

1           or Navigant.

2   31785                    If anyone objects to that, we should  
3           know that and I will proceed in a different fashion.

4   31786                    COMMISSIONER OLIPHANT:  Okay.

5   31787                    Mr. Pratte, did you wish to say  
6           something, sir?

7   31788                    MR. PRATTE:  No objection.  That's  
8           understood, sir.

9   31789                    COMMISSIONER OLIPHANT:  All right;  
10          thank you.

11   31790                    Mr. Vickery...?

12   31791                    MR. VICKERY:  I have no objection to  
13          that.

14   31792                    COMMISSIONER OLIPHANT:  Okay.

15   31793                    Mr. Houston...?

16   31794                    MR. HOUSTON:  That's acceptable, sir.

17   31795                    COMMISSIONER OLIPHANT:  Thanks.

18   31796                    Mr. Auger...?

19   31797                    MR. AUGER:  No objection,  
20          Commissioner.

21   31798                    COMMISSIONER OLIPHANT:  Okay.

22   31799                    That of course means, just for the  
23          benefit of those who may not understand what just  
24          happened, that other counsel will be able to ask  
25          questions with respect to Navigant but will not be able

1 to ask questions as a result of questions asked and  
2 answers elicited by Mr. Wolson in redirect examination,  
3 because redirect of course is the final word.

4 31800 So you will indicate when you are  
5 moving into redirect examination and in and out, I  
6 suppose.

7 31801 MR. WOLSON: Yes, thank you.

8 31802 COMMISSIONER OLIPHANT: Okay.

9 31803 MR. WOLSON: Just before I begin,  
10 Mr. Auger has a matter that he wants to raise with you.  
11 So I will just stand aside and he can do that and then  
12 we will proceed with Mr. Schreiber as a witness.

13 31804 COMMISSIONER OLIPHANT: Fine.

14 31805 Mr. Auger...?

15 31806 Good morning.

16 31807 MR. AUGER: Good morning,  
17 Commissioner.

18 31808 I am making an application for your  
19 consideration to make an order or a direction that  
20 Mr. Schreiber be available to attend at the balance of  
21 the hearings to instruct counsel.

22 31809 It is a matter of public record that  
23 Mr. --

24 31810 COMMISSIONER OLIPHANT: Just a  
25 moment, Mr. Auger. Sorry...?

1 31811 MR. VICKERY: I would think my friend  
2 would have made this application on notice,  
3 Mr. Commissioner, and I have no notice of this  
4 application.

5 31812 COMMISSIONER OLIPHANT: Would you  
6 like to have a discussion with Mr. Auger before he  
7 proceeds?

8 31813 MR. VICKERY: Yes, I would.

9 31814 COMMISSIONER OLIPHANT: All right.  
10 31815 Perhaps we should take 10 minutes.

11 31816 MR. VICKERY: Certainly. Thank you.

12 31817 COMMISSIONER OLIPHANT: Okay.

13 --- Upon recessing at 9:35 a.m. / Suspension à 09 h 35  
14 --- Upon resuming at 10:22 a.m. / Reprise à 10 h 22

15 31818 COMMISSIONER OLIPHANT: Be seated,  
16 please.

17 31819 MR. WOLSON: Mr. Commissioner, we  
18 have obviously taken a lot more than the 10 minutes  
19 that you suggested, but I think that we have come to  
20 some resolution of matters.

21 31820 Mr. Vickery and Mr. Auger, who have  
22 an interest in the matter that Mr. Auger would be  
23 raising, have agreed that they would deal with the  
24 matter a week -- or they will deal with the matter a  
25 week next Tuesday.



1 31821 So we would not sit next Monday by  
2 design, and next week Tuesday, Wednesday, Thursday and  
3 Friday Mr. Mulroney would be testifying. He would be  
4 led by his counsel in-chief, as we discussed the other  
5 day.

6 31822 The following week, Monday is a  
7 holiday of the following week. On the Tuesday  
8 Mr. Auger and Mr. Vickery would deal with the matter at  
9 hand.

10 31823 I would examine this morning -- I  
11 hope you are following all of this.

12 31824 I will examine this morning --

13 31825 COMMISSIONER OLIPHANT: I have had  
14 nothing to do today but relax waiting for you.

15 31826 MR. WOLSON: I see. Well, you are  
16 not just waiting for me, but this morning --

17 31827 COMMISSIONER OLIPHANT: I mean  
18 waiting for all counsel.

19 31828 MR. WOLSON: Yes. This morning what  
20 I will do, as we said earlier, I will examine  
21 Mr. Schreiber --

22 31829 COMMISSIONER OLIPHANT: Yes...?

23 31830 MR. WOLSON: -- by way of an  
24 examination on Navigant. I will re-examine  
25 Mr. Schreiber on the other evidence that he has given.

1 I have the right of re-examination under the Rules.  
2 31831 However, I also have a right to  
3 re-examine on Navigant.  
4 31832 I would defer the Navigant  
5 re-examination until after -- now it is getting  
6 complicated.  
7 31833 I will --  
8 31834 COMMISSIONER OLIPHANT: No, it's not.  
9 I can see exactly what you are after.  
10 31835 MR. WOLSON: Yes.  
11 31836 COMMISSIONER OLIPHANT: Mr. Schreiber  
12 is to be here to complete the questioning.  
13 31837 MR. WOLSON: That is so.  
14 31838 COMMISSIONER OLIPHANT: Okay.  
15 31839 MR. WOLSON: But just for the  
16 purposes of transparency, I will continue and say to  
17 you that I will reserve my re-examination on Navigant  
18 only until after Mr. Vickery and Mr. Auger deal with  
19 their matter, and my re-examination on Navigant would  
20 then proceed.  
21 31840 COMMISSIONER OLIPHANT: That's all  
22 you have to tell me.  
23 31841 MR. WOLSON: If I told you any more  
24 you would be upset, so I think I will stop while I'm  
25 ahead.

1 31842 COMMISSIONER OLIPHANT: All right.  
2 This is an arrangement, I take it, that has been  
3 reached on a consensual --

4 31843 Mr. Auger, I can see you are wanting  
5 to speak.

6 31844 I have a feeling that something is  
7 going on here behind the scenes, of which I am not  
8 aware.

9 31845 MR. AUGER: To answer your question,  
10 Commissioner, I have spoken to counsel about that  
11 proposal. The obvious intention of that proposal is to  
12 preserve the status quo; that Mr. Schreiber is under  
13 subpoena obviously as of now, but the purpose is that  
14 he continue under subpoena until, as Mr. Wolson has  
15 proposed, a later date for Mr. Wolson's re-examination.

16 31846 In the interim I will continue to  
17 discuss with counsel whether or not my application is  
18 necessary. But the object of the exercise is to  
19 preserve the status quo.

20 31847 COMMISSIONER OLIPHANT: I hear you.

21 31848 Mr. Vickery...?

22 31849 MR. VICKERY: Thank you, sir.

23 31850 I can advise you that I am agreeable  
24 to what has been said by both Mr. Wolson and Mr. Auger,  
25 provided that my friend's motion, should he choose to

1           proceed with it, proceed a week Tuesday.

2   31851                   I am not prepared to have the matter  
3           go beyond that point, based on the discussion that you  
4           have just heard.

5   31852                   COMMISSIONER OLIPHANT: I had  
6           understood that that was an agreement that had been  
7           reached; that if there were to be a motion it would be  
8           heard on Tuesday, I guess the 19th.

9   31853                   MR. VICKERY: I believe that is  
10          correct, yes.

11   31854                  I also have reached agreement with  
12          Mr. Auger that if his matter is to proceed, then he  
13          will provide me with service of his documentation in  
14          accordance with the Rules of this Commission.

15   31855                   COMMISSIONER OLIPHANT: Fine.

16   31856                   MR. VICKERY: Thank you.

17   31857                   COMMISSIONER OLIPHANT: All right.  
18          Thank you.

19   31858                  MR. WOLSON: In light of your comment  
20          that something is happening behind the scenes, I should  
21          put on the record that the position of Mr. Auger is  
22          that his client should be available to instruct him on  
23          legal submissions that he has to make, on  
24          cross-examinations that he has to make.

25   31859                   We are trying to accommodate at least

1 an application by Mr. Auger before you that Mr. Vickery  
2 will have involvement in, for which they have just  
3 discussed.

4 31860 So we are simply trying to  
5 accommodate that and have Mr. Schreiber available, at  
6 least for that argument, subject to whatever ruling you  
7 should make.

8 31861 So though we have retired to discuss  
9 the matter, we are all responsible to our parties and  
10 to our positions at this inquiry, and no one should  
11 take that there is anything of a sinister nature.  
12 Quite frankly, it should all be transparent and I hope  
13 that it is.

14 31862 COMMISSIONER OLIPHANT: I will  
15 reserve any further comments until a later time.

16 31863 I just observe that Mr. Schreiber is  
17 available.

18 31864 MR. WOLSON: Yes, he is here, he is  
19 available; otherwise we would be in a position of not  
20 being able to utilize today and that would be a down  
21 day, unnecessarily so.

22 31865 So this is about trying to use our  
23 time as efficiently as possible.

24 31866 That said, if you would permit  
25 Mr. Schreiber then to take the witness stand.

1 31867 COMMISSIONER OLIPHANT: Yes.

2 31868 Mr. Schreiber, good morning, sir.

3 31869 MR. SCHREIBER: Good morning.

4 31870 COMMISSIONER OLIPHANT: Could I ask

5 you to go back onto the stand, please.

6 31871 I'm sorry for the delay, for which I

7 accept no responsibility. But I'm sorry in any event.

8 31872 MR. SCHREIBER: I am easy

9 maintenance, you know that.

10 31873 COMMISSIONER OLIPHANT: Mr. Schreiber

11 said he's easy maintenance and I should know that.

12 31874 I just think that the record should

13 disclose what he said to me.

14 31875 Mr. Wolson, in your view, is it

15 necessary that Mr. Schreiber be re-sworn?

16 31876 MR. WOLSON: I think it would be

17 helpful.

18 SWORN: KARLHEINZ SCHREIBER

19 ASSERMENTÉ : KARLHEINZ SCHREIBER

20 31877 COMMISSIONER OLIPHANT: Thank you.

21 31878 MR. WOLSON: For the purposes of my

22 examination this morning I will be referring to P-7,

23 which is book 2 of Mr. Schreiber's materials; P-8,

24 which is Mr. Schreiber's statement to the Commission of

25 Inquiry; Exhibit 29, which is Fred Doucet's binder;

1 Exhibit 40, which is the Navigant document submitted,  
2 the Navigant report that was submitted yesterday.

3 31879 COMMISSIONER OLIPHANT: I have it,  
4 thank you.

5 31880 MR. WOLSON: And I will also be  
6 asking at some point that a finger or that a  
7 handwriting analysis done by the Canada Border Services  
8 Agency, an analysis that was done on the mandate  
9 document that you have heard about, Mr. Commissioner --

10 31881 COMMISSIONER OLIPHANT: Yes.

11 31882 MR. WOLSON: -- at some point -- all  
12 counsel have it -- I would ordinarily ask that it go  
13 into the cause, but until counsel advise me their  
14 position on it, we should market as an exhibit for  
15 identification because I am going to refer to it.

16 31883 If we can't have some position of all  
17 parties that it can go into the cause, then we will  
18 have to call the maker of the report who is, as you  
19 will note from page 2, Samiah Ibrahim, who is the  
20 Manager of the Forensic Documents Section for the  
21 Canada Border Services Agency.

22 31884 But for now we will submit it as  
23 identification and we will determine whether we have to  
24 call that witness.

25 31885 COMMISSIONER OLIPHANT: All right,

1           then. For the time being, the letter from Canada  
2           Border Services Agency over the signature of Samiah  
3           Ibrahim, Manager of the Forensic Documents Examination  
4           Section, addressed to the investigator for this  
5           Commission and dated May the 5th of 2009, will be  
6           received and marked as Exhibit "I" for identification.

7   EXHIBIT "I" (For  
8   Identification): Letter from  
9   Canada Border Services Agency,  
10    signed by Samiah Ibrahim,  
11    Manager of the Forensic  
12    Documents Examination Section,  
13    dated May 5, 2009

14           EXAMINATION: KARLHEINZ SCHREIBER BY MR. WOLSON /

15           INTERROGATOIRE : KARLHEINZ SCHREIBER PAR Me WOLSON

16   31886                               MR. WOLSON: Mr. Schreiber, I will  
17           come to Exhibit "I" in the course of my examination of  
18           you, but I would like you first to have before you  
19           Exhibit P-7, which is the large book.

20   31887                               If you would, please, turn up Tab  
21           146. Tab 146.

22           --- Pause

23   31888                               MR. WOLSON: In particular I would  
24           like you to look at December 18th, which is your diary  
25           December 18th. It should be 146H.



1 31889 COMMISSIONER OLIPHANT: December?  
2 31890 MR. WOLSON: December 18th. It would  
3 be under Tab 146H.  
4 31891 MR. SCHREIBER: Eighty-five?  
5 31892 MR. WOLSON: 1992. December 18,  
6 1992.  
7 31893 MR. SCHREIBER: Okay, I have it.  
8 31894 MR. WOLSON: This will be the first  
9 area of my examination of you, Mr. Schreiber.  
10 31895 You will see on December 18, 1992 --  
11 and just for the record, that is Book 2 of Exhibit P-7,  
12 Tab 146H.  
13 31896 You are with me sir, are you?  
14 31897 MR. SCHREIBER: Yes, I am with you.  
15 31898 MR. WOLSON: All right.  
16 31899 In the right-hand corner of December  
17 18th there are some markings that you will see. At the  
18 top it says "F" something "M".  
19 31900 Do you see that?  
20 31901 MR. SCHREIBER: "FDM".  
21 31902 MR. WOLSON: "FDM", that's Frank  
22 Moores?  
23 31903 MR. SCHREIBER: Yes.  
24 31904 MR. WOLSON: Then it says, to the  
25 right of that, "460" double underlined "PM".

1 31905 MR. SCHREIBER: Yes.

2 31906 MR. WOLSON: And then below that  
3 there is another "PM 460". Do you see that?

4 31907 MR. SCHREIBER: Yes.

5 31908 MR. WOLSON: With some names under  
6 it. One name is "Marc", one name is "Giorgio" --

7 31909 MR. SCHREIBER: Yes.

8 31910 MR. WOLSON: -- one name is "Fred"  
9 and one name is "Gerry".

10 31911 MR. SCHREIBER: Yes.

11 31912 MR. WOLSON: Now, you were kind  
12 enough to meet with me and explain that particular  
13 document. Do you recall that?

14 31913 MR. SCHREIBER: That's correct, sir.

15 31914 MR. WOLSON: What you told me was  
16 "PM" -- because it has received some attention, you  
17 know that, don't you?

18 31915 MR. SCHREIBER: Yes.

19 31916 MR. WOLSON: You told me that "PM"  
20 means "per machine".

21 31917 MR. SCHREIBER: In German.

22 31918 MR. WOLSON: Yes.

23 31919 MR. WOLSON: And that it has nothing  
24 to do with Prime Minister.

25 31920 MR. SCHREIBER: Absolutely.

1 31921 MR. WOLSON: Absolutely nothing.

2 31922 MR. SCHREIBER: Not.

3 31923 MR. WOLSON: So that when you look at

4 that document and you read "460 PM", it is 460 per

5 machine.

6 31924 MR. SCHREIBER: Per machine.

7 31925 MR. WOLSON: You are talking about

8 airplanes --

9 31926 MR. SCHREIBER: Yes.

10 31927 MR. WOLSON: -- not Prime Ministers.

11 31928 MR. SCHREIBER: Yes.

12 31929 MR. WOLSON: All right.

13 31930 And that that document, you told me,

14 has nothing to do with Mr. Mulroney. That's clear.

15 31931 MR. SCHREIBER: Nothing.

16 31932 MR. WOLSON: All right. I would like

17 to move on now to some other areas.

18 31933 If you would, sir, pick up the report

19 of Navigant, which is Exhibit P-40.

20 31934 In particular in Exhibit P-40 I want

21 you to go to the end of the document to a tab which

22 says "Chart C", as in "Cat".

23 31935 MR. SCHREIBER: Chart --

24 31936 MR. WOLSON: "C".

25 31937 MR. SCHREIBER: -- "C", yes.

1 31938 MR. WOLSON: You see that chart, it  
2 says at the top "Timeline of Certain Alleged Meetings  
3 between Mr. Schreiber and Mr. Mulroney...?"

4 31939 MR. SCHREIBER: I think I have the  
5 wrong document, sir.

6 31940 You said "Chart C" or which one?

7 31941 MR. WOLSON: Chart "C" as in "Cat".

8 --- Pause

9 31942 MR. SCHREIBER: Yes...?

10 31943 MR. WOLSON: All right. Just by way  
11 of background for a moment, you have told this  
12 Commission of Inquiry -- if you would just listen to  
13 me, Mr. Schreiber, for a moment --

14 31944 MR. SCHREIBER: Yes...?

15 31945 MR. WOLSON: -- I will then refer you  
16 back to the chart.

17 31946 You have told this Commission of  
18 Inquiry that you have made three payments to  
19 Mr. Mulroney.

20 31947 MR. SCHREIBER: That's correct, sir.

21 31948 MR. WOLSON: You told the Commission  
22 that you made your first payment at Mirabel Airport  
23 Hotel on the 27th of August 1993.

24 31949 MR. SCHREIBER: That's correct, sir.

25 31950 MR. WOLSON: You made your second

1           payment to Mr. Mulroney on either the 17th or 18th of  
2           December of 1993 at the Queen Elizabeth Hotel in  
3           Montréal.

4   31951                   MR. SCHREIBER: That is also correct.

5   31952                   MR. WOLSON: And that you made your  
6           third payment to Mr. Mulroney on December the 8th of  
7           2000 -- I'm sorry, of 1994; right?

8   31953                   MR. SCHREIBER: Yes.

9   31954                   MR. WOLSON: -- at the Pierre Hotel  
10          in New York City.

11   31955                   MR. SCHREIBER: That is correct, sir.

12   31956                   MR. WOLSON: Okay. Now, if you  
13          would -- what I'm interested in, so that you  
14          understand, is I am interested in the money that you  
15          gave to Mr. Mulroney, where the money came from.

16   31957                   MR. SCHREIBER: Yes.

17   31958                   MR. WOLSON: So if you look at Chart  
18          "C" --

19   31959                   MR. SCHREIBER: Chart...?

20   31960                   MR. WOLSON: Chart "C".

21   31961                   MR. SCHREIBER: Yes, I have it here.

22   31962                   MR. WOLSON: All right. If you look  
23          down in 1993, there is an arrow pointing from July, a  
24          red arrow. Do you see that?

25   31963                   MR. SCHREIBER: Yes.

1 31964 MR. WOLSON: It points down to the  
2 27th of July 1993.

3 31965 MR. SCHREIBER: Yes.

4 31966 MR. WOLSON: And it indicates that  
5 you withdrew from the Britan account \$100,000.

6 31967 MR. SCHREIBER: That is correct, sir.

7 31968 MR. WOLSON: \$100,000 Canadian funds.

8 31969 MR. SCHREIBER: Correct.

9 31970 MR. WOLSON: But we know that you  
10 never met with Mr. Mulroney until the 27th of August  
11 1993, a month later, at the Mirabel Hotel.

12 31971 MR. SCHREIBER: That is correct, sir.

13 31972 MR. WOLSON: Is the money that you  
14 gave Mr. Mulroney at the Mirabel Hotel the same  
15 \$100,000 that you withdrew on the 27th of July?

16 31973 MR. SCHREIBER: Yes.

17 31974 MR. WOLSON: And you withdrew that  
18 from the Britan account?

19 31975 MR. SCHREIBER: Yes, sir.

20 31976 MR. WOLSON: All right.

21 31977 Now if you would, please, on the same  
22 chart, Chart "C", go over to 1993 November.

23 31978 Do you have that?

24 31979 MR. SCHREIBER: Yes, sir.

25 31980 MR. WOLSON: There is an arrow

1 pointing down to November 3, 1993?

2 31981 MR. SCHREIBER: Correct.

3 31982 MR. WOLSON: November 3, 1993, a  
4 second \$100,000 cash withdrawal was made out of the  
5 Britan account.

6 31983 MR. SCHREIBER: Correct, sir.

7 31984 MR. WOLSON: And the Britan account  
8 that both of them had been made out of was 46341.5.

9 31985 MR. SCHREIBER: Yes, sir.

10 31986 MR. WOLSON: Now, you took that  
11 \$100,000 out, but you didn't meet with Mr. Mulroney at  
12 the Queen Elizabeth Hotel until the 17th or 18th of  
13 November 1993; true?

14 31987 MR. SCHREIBER: That's correct, sir.

15 31988 MR. WOLSON: What I would like to  
16 know is the \$100,000 that you gave Mr. Mulroney on the  
17 17th or 18th of November, is that the same \$100,000 you  
18 took out of the --

19 31989 MR. SCHREIBER: Exactly.

20 31990 MR. YAROSKY: You said November,  
21 Mr. Wolson.

22 31991 MR. WOLSON: Did I say November? I'm  
23 sorry. Let me then -- I misspoke apparently.

24 31992 The \$100,000 you took out of the  
25 Britan account on November 3, 1993 -- do you have that?

1 31993 MR. SCHREIBER: Yes.

2 31994 MR. WOLSON: You met with  
3 Mr. Mulroney on December 17 or 18, '93 --

4 31995 MR. SCHREIBER: Yes.

5 31996 MR. WOLSON: -- at the Queen  
6 Elizabeth; right?

7 31997 MR. SCHREIBER: Correct.

8 31998 MR. WOLSON: You gave him money.

9 31999 MR. SCHREIBER: Yes.

10 32000 MR. WOLSON: You have told the  
11 Commissioner you gave him \$100,000.

12 32001 MR. SCHREIBER: That is correct, sir.

13 32002 MR. WOLSON: Is that \$100,000 the  
14 \$100,000 you took out of the Britan account on November  
15 3?

16 32003 MR. SCHREIBER: Yes, sir.

17 32004 MR. WOLSON: The same money?

18 32005 MR. SCHREIBER: The same money.

19 32006 MR. WOLSON: All right.

20 32007 If you then go over, please, to 1994,  
21 in 1994, if you would look at July of 1994 -- do you  
22 have that?

23 32008 MR. SCHREIBER: Yes, sir.

24 32009 MR. WOLSON: There is an arrow down  
25 and it indicates July 21, 1994 withdrawal of \$50,000



1 Canadian from the Britan account.

2 32010 MR. SCHREIBER: Correct, sir.

3 32011 MR. WOLSON: Then if you go over to

4 November of 1994, there is an arrow down to a box which

5 indicates November 21, 1994.

6 32012 Do you have that?

7 32013 MR. SCHREIBER: Yes, sir.

8 32014 MR. WOLSON: It indicates another

9 \$50,000 Canadian was withdrawn from the Britan account.

10 32015 MR. SCHREIBER: Yes, sir.

11 32016 MR. WOLSON: That would make

12 \$100,000; right?

13 32017 MR. SCHREIBER: Right.

14 32018 MR. WOLSON: Fifty and 50.

15 32019 MR. SCHREIBER: Correct.

16 32020 MR. WOLSON: Are those two

17 withdrawals the money that you gave to Mr. Mulroney

18 when you met with him on December 8, 1994 at the Pierre

19 Hotel in New York?

20 32021 MR. SCHREIBER: Yes, sir.

21 32022 MR. WOLSON: The same monies?

22 32023 MR. SCHREIBER: The same money.

23 32024 MR. WOLSON: Okay. So what you can

24 say, then, in summary is all of the money, the \$300,000

25 that you took out of the Britan account at various

1 times between '93 and '94, it was that same money that  
2 you gave to Mr. Mulroney?

3 32025 MR. SCHREIBER: Exactly, sir.

4 --- Pause

5 32026 MR. WOLSON: Now, if you stay on the  
6 same chart you will see on the bottom right-hand side  
7 Chart "C" -- are you with me there, sir?

8 32027 MR. SCHREIBER: Yes.

9 32028 MR. WOLSON: You will see an arrow  
10 going from December down to December the 14th.

11 32029 Do you see that?

12 32030 MR. SCHREIBER: Yes.

13 32031 MR. WOLSON: On December the 14th it  
14 says that you withdrew \$212,000 -- or at least you  
15 transferred \$212,000 from the 46341.5 account.

16 32032 MR. SCHREIBER: Yes, sir.

17 32033 MR. WOLSON: Which was a Britan  
18 account?

19 32034 MR. SCHREIBER: Yes.

20 32035 MR. WOLSON: That was the Britan  
21 account where you took out the \$300,000.

22 32036 MR. SCHREIBER: Yes.

23 32037 MR. WOLSON: And you put it into a  
24 second Britan account.

25 32038 MR. SCHREIBER: That is correct, sir.

1 32039 MR. WOLSON: The second Britan  
2 account is 62684.3.

3 32040 MR. SCHREIBER: That is correct, sir.

4 32041 MR. WOLSON: When you were  
5 interviewed -- and it is Part of Exhibit P-8, and I  
6 will just read this to you, just for completion  
7 purposes --

8 32042 MR. SCHREIBER: Yes.

9 32043 MR. WOLSON: -- just to have the full  
10 picture.  
11 32044 What you said at page 6 in the last  
12 paragraph of the statement:

13 "The \$212,000 was transferred  
14 from the Britan account after  
15 your last meeting with Mr.  
16 Mulroney because you no longer  
17 wanted the money in the original  
18 Britan account.  
19 The money was transferred to  
20 another account with the "Rubrik  
21 Britan" which also belonged to  
22 you." (As read)

23 32045 MR. SCHREIBER: Yes.

24 32046 MR. WOLSON: You used the rubrik  
25 Britan because it was the same money.

1 32047 MR. SCHREIBER: Yes.

2 32048 MR. WOLSON: That's your explanation  
3 for the \$212,000 which you take out of the original  
4 Britan account and put into the second Britan account?

5 32049 MR. SCHREIBER: Correct, sir.

6 32050 MR. WOLSON: Thank you.

7 32051 I want to move on to the meeting that  
8 you had on June 3, 1993. You had this meeting with  
9 Fred Doucet?

10 32052 MR. SCHREIBER: Yes.

11 32053 MR. WOLSON: Prime Minister Mulroney?

12 32054 MR. SCHREIBER: Yes.

13 32055 MR. WOLSON: And you will see when  
14 you look at Book 2 of your -- that is the big book in  
15 front of you, sir.

16 32056 MR. SCHREIBER: Yes.

17 32057 MR. WOLSON: For the record, that is  
18 Exhibit P-7.

19 32058 If you look at 146I --

20 32059 MR. SCHREIBER: "146I". 1993?

21 32060 MR. WOLSON: 1993.

22 32061 MR. SCHREIBER: Diary?

23 32062 MR. WOLSON: The diary.

24 32063 MR. SCHREIBER: Yes.

25 32064 MR. WOLSON: You have that?

1 32065 MR. SCHREIBER: Yes.

2 32066 MR. WOLSON: Thank you, sir.

3 32067 Now, if you look at June the 3rd --

4 you have testified to this but I want to just put it in

5 context.

6 32068 It says "15:30 PM. meeting".

7 32069 MR. SCHREIBER: Yes, sir.

8 32070 MR. WOLSON: You explained to the

9 Commission that you met with the Prime Minister at 1530

10 on June the 3rd.

11 32071 MR. SCHREIBER: This is my

12 recollection.

13 32072 MR. WOLSON: And I can tell you that

14 it is also in Mr. Doucet's diary. I don't have to take

15 you there, but your two diaries were the same; they

16 coincided. And you both said that you met with Prime

17 Minister Mulroney.

18 32073 MR. SCHREIBER: Correct.

19 32074 MR. WOLSON: You have indicated to

20 me, when I asked you questions, that the discussion of

21 that meeting was regarding Bear Head.

22 32075 MR. SCHREIBER: Yes, sir.

23 32076 MR. WOLSON: And it was a discussion

24 regarding Bear Head potentially in Montréal.

25 32077 MR. SCHREIBER: Yes, sir.

1 32078 MR. WOLSON: And the Prime Minister  
2 you told me was supportive of that and had recommended  
3 that to you.

4 32079 MR. SCHREIBER: Exactly, sir.

5 32080 MR. WOLSON: Now, I am moving towards  
6 the June 23rd meeting, but I want to put things in  
7 context.

8 32081 After you meet with Mr. Mulroney on  
9 the 3rd of June -- don't leave that page yet,  
10 Mr. Schreiber.

11 32082 MR. SCHREIBER: Yes.

12 32083 MR. WOLSON: Stay on the same page as  
13 me.

14 32084 MR. SCHREIBER: Yes.

15 32085 MR. WOLSON: All right. Go to June  
16 4th.

17 32086 MR. SCHREIBER: Yes.

18 32087 MR. WOLSON: It is on the same page  
19 of your diary as June 3rd.

20 32088 MR. SCHREIBER: Yes.

21 32089 MR. WOLSON: You have that?

22 32090 MR. SCHREIBER: Yes.

23 32091 MR. WOLSON: On June the 4th, one day  
24 after you met with Mr. Mulroney, in the margin on the  
25 right-hand side --

1 32092 MR. SCHREIBER: Yes...?

2 32093 MR. WOLSON: -- the second entry on  
3 the margin is "Frankfurt Brian.Max".

4 32094 MR. SCHREIBER: Yes.

5 32095 MR. WOLSON: Brian would be Brian  
6 Mulroney?

7 32096 MR. SCHREIBER: Yes.

8 32097 MR. WOLSON: Max would be Max  
9 Strauss?

10 32098 MR. SCHREIBER: Yes.

11 32099 MR. WOLSON: Okay. Then it has the  
12 numbers "1236".

13 32100 MR. SCHREIBER: Yes.

14 32101 MR. WOLSON: Now I want you to keep  
15 that open but also take the Navigant book again,  
16 Exhibit P-40, if you will, please.

17 32102 MR. SCHREIBER: Yes.

18 32103 MR. WOLSON: Stay on the same chart,  
19 chart number "C" as in "Cat".

20 32104 MR. SCHREIBER: The one I had  
21 already.

22 32105 MR. WOLSON: The one you had.

23 32106 MR. SCHREIBER: Yes.

24 32107 MR. WOLSON: If you will, look at the  
25 left-hand side and I will walk you through it.

1 32108 MR. SCHREIBER: Yes.

2 32109 MR. WOLSON: All right?

3 32110 MR. SCHREIBER: Yes.

4 32111 MR. WOLSON: On June the 3rd, 1993,  
5 the day that you met with Mr. Mulroney at Centre Block,  
6 along with Mr. Doucet --

7 32112 MR. SCHREIBER: Yes...?

8 32113 MR. WOLSON: -- you will see that the  
9 Frankfurt account, according to the forensic  
10 accountants, had an amount of money in it "1236".

11 32114 MR. SCHREIBER: Yes.

12 32115 MR. WOLSON: \$1,236,199.

13 32116 MR. SCHREIBER: Yes.

14 32117 MR. WOLSON: I know that you are not  
15 too concerned about the \$199. We discussed that a long  
16 time ago. So 1236.

17 32118 MR. SCHREIBER: Yes.

18 32119 MR. WOLSON: I'm glad to see that you  
19 are laughing, as always.

20 32120 MR. SCHREIBER: Yes.

21 32121 MR. WOLSON: 1236, that happens to be  
22 the number in the margin of your diary on the 4th of  
23 June.

24 32122 MR. SCHREIBER: Yes.

25 32123 MR. WOLSON: Look down on the 4th of



1           June.

2   32124                   MR. SCHREIBER:  Yes...?

3   32125                   MR. WOLSON:  Navigant, Mr. Whitla has

4           indicated the reference in your diary, "Frankfurt

5           Brian.Max 1236"; right?

6   32126                   You see that?

7   32127                   MR. SCHREIBER:  I'm a little bit

8           confused now.

9   32128                   MR. WOLSON:  Okay.

10  32129                   MR. SCHREIBER:  On the Navigant

11          report or on the diary?

12  32130                   COMMISSIONER OLIPHANT:  It is the

13          yellow box.

14  32131                   MR. WOLSON:  Leave the diary for a

15          second.

16  32132                   MR. SCHREIBER:  Yes.

17  32133                   MR. WOLSON:  Go to the Navigant

18          report.

19  32134                   MR. SCHREIBER:  Yes.

20  32135                   MR. WOLSON:  You are there, you are

21          on Chart "C".

22  32136                   MR. SCHREIBER:  Yes.

23  32137                   MR. WOLSON:  Just below June 3rd, on

24          the left-hand side do you see there is a box that says

25          June 4?

1 32138 MR. SCHREIBER: Yes.

2 32139 MR. WOLSON: Okay. That box happens  
3 to refer to your diary.

4 32140 Trust me, it's the same, so you don't  
5 need to look at your diary for a second.

6 32141 MR. SCHREIBER: M'hm.

7 32142 MR. WOLSON: It says "Frankfurt  
8 Brian.Max 1236".

9 32143 MR. SCHREIBER: Yes.

10 32144 MR. WOLSON: So that would indicate  
11 an amount of money you have in Frankfurt, \$1,236,000.

12 32145 MR. SCHREIBER: That's correct.

13 32146 MR. WOLSON: So you knew that on the  
14 4th of June?

15 32147 MR. SCHREIBER: Yes.

16 32148 MR. WOLSON: The day after you met  
17 with the Prime Minister.

18 32149 MR. SCHREIBER: Yes.

19 32150 MR. WOLSON: If you go down to June  
20 23rd -- stay on Chart "C", don't go to the diary; Chart  
21 "C", Navigant report.

22 32151 Look at June 23rd, if you will,  
23 please. Do you see that?

24 32152 That is below June 4 in the box on  
25 the left-hand side of Chart "C".

1 32153 MR. SCHREIBER: Yes.

2 32154 MR. WOLSON: Are you with me?

3 32155 MR. SCHREIBER: Yes.

4 32156 MR. WOLSON: All right. "June 23,  
5 1993: Meeting between Mr. Schreiber and Mr. Mulroney".

6 32157 MR. SCHREIBER: Yes.

7 32158 MR. WOLSON: Amount of money, 1236.

8 32159 MR. SCHREIBER: Yes.

9 32160 MR. WOLSON: Same amount of money you  
10 had in there on June 3, June 4.

11 32161 MR. SCHREIBER: Well, this is what  
12 Navigant said.

13 32162 MR. WOLSON: That's right.

14 32163 MR. SCHREIBER: Yes.

15 32164 MR. WOLSON: That's from their  
16 forensic assessment.

17 32165 MR. SCHREIBER: Yes.

18 32166 MR. WOLSON: Okay. June 23rd is an  
19 important date you appreciate, because that is the day  
20 you met at Harrington Lake with the Prime Minister,  
21 Prime Minister Mulroney.

22 32167 MR. SCHREIBER: Yes.

23 32168 MR. WOLSON: June 23, 1993. We have  
24 talked about that and you agree with that?

25 32169 MR. SCHREIBER: Well, it became an

1           important day. It was not for me then.

2   32170                   MR. WOLSON: Well, it is an important

3           date as we talk today, isn't it?

4   32171                   MR. SCHREIBER: Yes.

5   32172                   MR. WOLSON: Yes.

6   32173                   Now, the day that you set up the

7           Britan account is just below June 23rd. That is July

8           12, 1993.

9   32174                   MR. SCHREIBER: Yes.

10   32175                   MR. WOLSON: Do you have that?

11   32176                   MR. SCHREIBER: Yes.

12   32177                   MR. WOLSON: It is all on Chart "C",

13           isn't it?

14   32178                   MR. SCHREIBER: Yes.

15   32179                   MR. WOLSON: And the amount is now

16           1239 and the extra dollars were interest.

17   32180                   MR. SCHREIBER: Yes.

18   32181                   MR. WOLSON: When you took out the

19           money on July 27, 1993, that is also on the same chart.

20   32182                   Do you see that?

21   32183                   MR. SCHREIBER: Yes.

22   32184                   MR. WOLSON: July 27, '93 --

23   32185                   MR. SCHREIBER: Yes. Yes. Yes.

24   32186                   MR. WOLSON: -- when you took out the

25           \$100,000 --

1 32187 MR. SCHREIBER: Yes...?

2 32188 MR. WOLSON: -- you are taking it  
3 from the account that has 1239 in it.

4 32189 MR. SCHREIBER: Exactly.

5 32190 MR. WOLSON: As a matter of fact, it  
6 had temporarily been tied up in a -- in some kind of  
7 bank GIC or something along those lines earning some  
8 interest for you.

9 32191 MR. SCHREIBER: Term deposit.

10 32192 MR. WOLSON: Term deposit.

11 32193 MR. SCHREIBER: Yes.

12 32194 MR. WOLSON: So basically from the  
13 time you met with Mr. Mulroney on June 3rd of '93, the  
14 Frankfurt account had more or less \$1,236,000.

15 32195 MR. SCHREIBER: Yes.

16 32196 MR. WOLSON: And you knew that  
17 because on June 4th you mark that in your diary.

18 32197 MR. SCHREIBER: Yes.

19 32198 MR. WOLSON: And there were no other  
20 transactions except for you putting money in a term  
21 deposit in the account.

22 32199 MR. SCHREIBER: Yes, sir.

23 32200 MR. WOLSON: Yes.

24 32201 Knowing now, with the assistance of  
25 Navigant, that you knew how much money you had in the

1 Frankfurt account when you met with Mr. Mulroney on the  
2 23rd of June 1993 at Harrington Lake, do you know  
3 whether you talked about money with him, when you know  
4 now how much money was in there and you knew in your  
5 diary on the 4th of June how much money was in your  
6 account?

7 32202 MR. SCHREIBER: I knew about the  
8 money, but I did not speak with him about any amount of  
9 money at Harrington Lake.

10 32203 MR. WOLSON: All right. So this  
11 exercise that I took you through now doesn't assist you  
12 today -- or at least your evidence is the same today.  
13 You did not talk money at Harrington Lake?

14 32204 MR. SCHREIBER: Correct.

15 32205 MR. WOLSON: All right.

16 32206 MR. SCHREIBER: Well --

17 32207 MR. WOLSON: Pardon me?

18 32208 MR. SCHREIBER: Well, I think I  
19 mentioned before, when I left I told Mr. Mulroney that  
20 I am going to check what money is available for the  
21 project in Montréal.

22 32209 MR. WOLSON: But you knew how much  
23 money was available because you wrote it down in your  
24 diary, 1236.

25 32210 MR. SCHREIBER: The point was I had

1 to speak with Frank Moores first about the money.

2 32211 MR. WOLSON: So it's not that you had  
3 to find out how much was available, you had to speak to  
4 Moores.

5 32212 MR. SCHREIBER: Yes.

6 32213 MR. WOLSON: But you didn't say that  
7 to Mr. Mulroney?

8 32214 MR. SCHREIBER: No.

9 32215 MR. WOLSON: No.

10 32216 MR. SCHREIBER: The point is,  
11 Mr. Wolson -- and you know that -- that the Frankfurt  
12 account belonged to Mr. Moores, GCI.

13 32217 MR. WOLSON: Well, I don't know that,  
14 quite frankly, but I know what you have said.

15 32218 MR. SCHREIBER: Yes. Okay.

16 32219 MR. WOLSON: All right.

17 32220 MR. SCHREIBER: That's correct.

18 32221 MR. WOLSON: You are laughing again.

19 32222 MR. SCHREIBER: That's correct.

20 That's correct.

21 32223 MR. WOLSON: All right. I want to go  
22 to that meeting on June 23rd at Harrington Lake because  
23 so far there are three different versions, three  
24 different stories about June 23rd that have been  
25 elicited, one by me, one by my friend Mr. Pratte and

1           one by my friend Mr. Auger, your lawyer.

2   32224                   So I want to go over those three  
3           stories to try and find out which one is the truth.

4   32225                   Now, what you told Mr. Pratte -- I'm  
5           going to leave what you told me to the end.

6   32226                   But what you told Mr. Pratte -- I  
7           will read it to you. It is at page 499 of the  
8           transcript.

9   32227                   Now, I appreciate that Mr. Pratte  
10          examined you at some length on this, but I am trying to  
11          pick out what I believe you said to Mr. Pratte.

12   32228                   At page 499 you said -- I'm sorry, I  
13          have misspoken.

14   32229                   There should be another -- yes. Page  
15          923. I will read this to you.

16   32230                   I will go back to 922.

17   32231                   Page 922 -- and I will read this to  
18          you -- at line 14 Mr. Pratte said to you:

19                           "MR. PRATTE: The agreement you  
20                           made with Mr. Mulroney to help  
21                           you on Bear Head was made after  
22                           he stepped down as Prime  
23                           Minister.

24                           MR. SCHREIBER: Absolutely. It  
25                           was made in Mirabel.



1 MR. PRATTE: It was made in  
2 Mirabel?  
3 MR. SCHREIBER: Yes.  
4 MR. PRATTE: That's when the  
5 agreement was finalized?  
6 MR. SCHREIBER: Yes, but I --  
7 MR. PRATTE: That's when it was  
8 made?  
9 MR. SCHREIBER: Mr. Pratte, I  
10 never said anything else."  
11 32232 Mr. Pratte said then at page 923,  
12 line 2:  
13 "... That is when the agreement  
14 with Mr. Mulroney was made in  
15 respect of Bear Head, at  
16 Mirabel.  
17 MR. SCHREIBER: Exactly.  
18 MR. PRATTE: Correct? Correct?  
19 MR. SCHREIBER: Yes.  
20 MR. PRATTE: Not at Harrington  
21 Lake?  
22 MR. SCHREIBER: No."  
23 32233 So Mr. Pratte's examination of you  
24 was such that you told him that the agreement was not  
25 made at Harrington Lake.

1 32234 Now, when your own counsel examined  
2 you, he said to you, at page 1160, line 5.  
3 32235 What he related in his questions and  
4 you answered yes. You said:  
5 "... this was an ongoing  
6 dialogue ..."  
7 32236 It was a discussion which evolved  
8 over time. Mr. Auger suggested to you that the  
9 dialogue started on June 3, 1993 when Mr. Mulroney was  
10 Prime Minister of Canada.  
11 32237 At 1160 Mr. Auger says, at line 5:  
12 "MR. AUGER: And that is because  
13 this was an ongoing dialogue and  
14 discussion since June 3rd;  
15 right?  
16 MR. SCHREIBER: Yes.  
17 MR. AUGER: It was a work in  
18 progress and it was an evolving  
19 situation?  
20 MR. SCHREIBER: Yes.  
21 MR. AUGER: It included what are  
22 we going to do with Bear Head;  
23 correct?  
24 MR. SCHREIBER: Yes."  
25 32238 He goes on to then talk about the

1 funds for Mr. Mulroney and then says, at line 24 of  
2 page 1160:

3 "And obviously after the June  
4 3rd meeting where the dialogue  
5 began?"

6 32239 You say, "Yes".

7 32240 The dialogue evolved into the Mirabel  
8 Hotel, where the first payment was made.

9 32241 That's what you said to two of the  
10 lawyers, and I want to refer you to what you said to  
11 me, because I covered this with you quite extensively,  
12 and I want to go to that because I say there are three  
13 different versions.

14 32242 If we could start at page 282, I will  
15 read this to you.

16 32243 I am reading from an affidavit that  
17 you prepared, which can be found, for the record, in  
18 Book 3, Tab 21 of Exhibit 7.

19 32244 At page 282 I put this to you from  
20 your affidavit, talking about Harrington lake.

21 "It was at this meeting that Mr.  
22 Mulroney and I entered into the  
23 Agreement."

24 32245 You swore to that affidavit.

25 32246 At line 19, page 282, you said:

1 "Mulroney undertook my efforts  
2 in obtaining the approval of the  
3 establishment of a production  
4 facility for light-armoured  
5 vehicles by Bear Head Limited."

6 32247 Then you said, at line 25:

7 "Sir, that's correct...,"

8 32248 -- you said this to me, Mr.

9 Schreiber:

10 "...but here there is quite a  
11 misunderstanding. When I said  
12 that we entered into an  
13 agreement, the agreement was  
14 that we would work together,  
15 with him, when he has left  
16 office.

17 So it was not agreed at  
18 Harrington Lake in details what  
19 he would do, or what he would  
20 get paid. That happened in  
21 August in Mirabel."

22 32249 You say, then, at line 24 of page

23 283:

24 "After the meeting in Harrington  
25 Lake, I ordered the transfer of

1 funds from the bank in  
2 Switzerland..."

3 32250 -- and we have seen that you ordered  
4 the funds from the bank in Switzerland.

5 32251 I said to you at page 499, line 17:  
6 "Mr. Schreiber, just to recap,  
7 you met Prime Minister Mulroney  
8 at Harrington Lake on the 23rd  
9 of June?"

10 32252 You said: "Yes, sir."  
11 "You made an agreement for the  
12 future?"

13 32253 You said: "Yes, sir."

14 32254 I then said:  
15 "That he would perform certain  
16 services on your behalf and that  
17 he undertook to support the  
18 efforts in obtaining approval  
19 for the establishment of a  
20 production facility for light  
21 armoured vehicles..."

22 32255 At page 505 you said this to me:  
23 "You hired Mr. Mulroney, you  
24 just told the Commissioner, you  
25 made an agreement in 1993 at

1                                   Harrington Lake and you hired  
2                                   him August 27..."

3   32256                           Now, there is a difference, and I  
4           don't know that you intend for there to be a  
5           difference, so let me ask you, did you have an  
6           agreement with the Prime Minister at Harrington Lake to  
7           work together in the future?

8   32257                           MR. SCHREIBER:   Yes.

9   32258                           MR. WOLSON:   As a result of that  
10          agreement, you met with him at Mirabel.

11   32259                           MR. SCHREIBER:   Yes.

12   32260                           MR. WOLSON:   As a result of the  
13          agreement that you had at Harrington Lake, you went and  
14          you withdrew funds from a bank account in Switzerland  
15          to bring with you for Mirabel.

16   32261                           MR. SCHREIBER:   Yes.   But, first, I  
17          ordered on the 12th, already, the transfer of funds to  
18          Britan, which could not take place because the money  
19          was in a term deposit, it had to wait until the 27th.

20   32262                           That started at the 12th of July.

21   32263                           MR. WOLSON:   Yes, but you ordered the  
22          money, which was as a result of the agreement you made  
23          at Harrington Lake, so that when you met with Mr.  
24          Mulroney you would have money for him.

25   32264                           MR. SCHREIBER:   Exactly.

1 32265 MR. WOLSON: You were asked questions  
2 about visits and contacts you had with Mr. Mulroney in  
3 the years 1988 to 1994.

4 32266 You remember being asked those  
5 questions?

6 32267 MR. SCHREIBER: Yes.

7 32268 MR. WOLSON: Am I correct that in  
8 those years you were living in the country of Germany?  
9 32269 That was your primary residence?

10 32270 MR. SCHREIBER: In part, yes.

11 32271 MR. WOLSON: And you would visit  
12 Canada from time to time to do business in Canada.

13 32272 MR. SCHREIBER: Yes, sir.

14 32273 MR. WOLSON: You told me that you  
15 would come to Canada for a couple of weeks at a time,  
16 you would visit Calgary --

17 32274 MR. SCHREIBER: Yes.

18 32275 MR. WOLSON: -- you would visit Nova  
19 Scotia --

20 32276 MR. SCHREIBER: Yes.

21 32277 MR. WOLSON: -- you would visit  
22 Ottawa.

23 32278 MR. SCHREIBER: Yes.

24 32279 MR. WOLSON: And you would conduct  
25 your business in these cities in Canada.

1 32280 MR. SCHREIBER: Yes, sir. Mainly  
2 from Ottawa since `85.

3 32281 MR. WOLSON: All right. And you told  
4 me that, on average, approximately, you would spend  
5 about eight to ten weeks a year in the country of  
6 Canada between `88 and `94, approximately.

7 32282 MR. SCHREIBER: At least, yeah, in my  
8 recollection.

9 32283 MR. WOLSON: So the most time you  
10 were spending was in your home country, Germany --

11 32284 MR. SCHREIBER: No, other countries  
12 around the world.

13 32285 MR. WOLSON: -- and other countries  
14 around the world.

15 32286 MR. SCHREIBER: Yes.

16 32287 MR. WOLSON: All right. In your  
17 diaries -- there are various notations throughout your  
18 diaries that would say "Phone Brian", "Fax Brian".

19 32288 You recall seeing those in your  
20 diaries?

21 32289 MR. SCHREIBER: Yes.

22 32290 MR. WOLSON: I don't want to take you  
23 through every one of them because it would take too  
24 long, there are many of them. I am assuming that  
25 "Brian" is Brian Mulroney.



1 32291 MR. SCHREIBER: Yes, sir.

2 32292 MR. WOLSON: I do want to refer you  
3 to your diaries for 1993, which you will find in the  
4 large book that you have there, which is, for the  
5 record, Exhibit 7, Book 2, and I want you to go to Tab  
6 146-I.

7 32293 MR. SCHREIBER: Yes.

8 32294 MR. WOLSON: If you would go to July  
9 5, 1993 --

10 32295 MR. SCHREIBER: Yes, sir.

11 32296 MR. WOLSON: At July 5, 1993, you  
12 have on top of that -- at around 7 o'clock you have  
13 "Strobel - Frankfurt".

14 32297 MR. SCHREIBER: Yes.

15 32298 MR. WOLSON: Who is Strobel?

16 32299 MR. SCHREIBER: Strobel is my -- or  
17 was my bank manager in Zurich who handled all of my  
18 accounts.

19 32300 MR. WOLSON: All right. So you were  
20 obviously -- it says "Strobel - Frankfurt - Britan".

21 32301 MR. SCHREIBER: Yes.

22 32302 MR. WOLSON: You were obviously  
23 wanting to talk to him about the Britan account and the  
24 Frankfurt account.

25 32303 MR. SCHREIBER: That that should be

1 established, and monies should be transferred from  
2 Frankfurt to Britan.

3 32304 MR. WOLSON: And that is probably  
4 when you found out that the money was in a term deposit  
5 and there would be a bit of a delay.

6 32305 MR. SCHREIBER: We had to postpone it  
7 to the 27th, or whatever it was.

8 32306 MR. WOLSON: But the very day you do  
9 that, if you look at 1300 hours -- because there is a  
10 trend here, and I want to discuss this trend with you.

11 32307 MR. SCHREIBER: Yes.

12 --- Laughter / Rires

13 32308 MR. WOLSON: You are laughing. I've  
14 got you laughing all morning, sir.

15 32309 MR. SCHREIBER: Well, it's -- what  
16 can I say -- exciting memories, sir.

17 32310 MR. WOLSON: Exciting memories, all  
18 right.

19 32311 MR. SCHREIBER: Yes.

20 32312 MR. WOLSON: On the 5th of July,  
21 "Strobel - Frankfurt - Britan" at the top --

22 32313 MR. SCHREIBER: Yes.

23 32314 MR. WOLSON: -- and you indicated to  
24 me that you were likely in contact with Mr. Strobel to  
25 ask him to transfer monies to the Britan account, and

1           you found that there was a term deposit, but the one  
2           comment that I would like from you is at 1300 hours,  
3           where it says, "Telephone Elmer".

4   32315                   MR. SCHREIBER:  Yes.

5   32316                   MR. WOLSON:  "Elmer" is Elmer MacKay?

6   32317                   MR. SCHREIBER:  Yes.

7   32318                   MR. WOLSON:  Where are you at this  
8           time?

9   32319                   Where are you located?

10  32320                   Are you in Canada, are you in Europe?

11  32321                   MR. SCHREIBER:  I was in Europe,  
12           because I see, when you look at 17:30 --

13  32322                   MR. WOLSON:  Yes.

14  32323                   MR. SCHREIBER:  "Essen bei -- " means  
15           dinner with a friend.

16  32324                   MR. WOLSON:  Okay.  "Essen" is  
17           dinner.

18  32325                   MR. SCHREIBER:  Yes.

19  32326                   MR. WOLSON:  Now, what did you call  
20           Mr. MacKay about that day?

21  32327                   MR. SCHREIBER:  Well, Mr. Wolson, I  
22           really would have to be -- what can I say -- something  
23           very special if I would know that, because I called  
24           Elmer quite often.  He is a very close friend, and I  
25           really like him a lot.

1 32328 MR. WOLSON: Okay. I understand  
2 that, but you don't remember today what you called him  
3 about.

4 32329 MR. SCHREIBER: No.

5 32330 MR. WOLSON: Now, if you could go,  
6 please, to July 12, 1993, in the same diary.

7 32331 MR. SCHREIBER: July 12?

8 32332 MR. WOLSON: July 12.

9 32333 Do you have July the 12th?

10 32334 MR. SCHREIBER: No, I have July 6th,  
11 and then the next is August.

12 --- Pause

13 32335 MR. WOLSON: I think we are going to  
14 have to go to Mr. MacKay's binder, and Mr. Edgett is  
15 just checking on that.

16 32336 As you will remember, in Mr. MacKay's  
17 binder you will also find Mr. Schreiber's binder, and  
18 we will find that in one moment.

19 32337 MR. SCHREIBER: By the way, on June  
20 30th in the diary, you see that I left Ottawa for  
21 Germany.

22 32338 MR. WOLSON: Okay. Thank you, sir.

23 32339 MR. EDGETT: It is P-37.

24 32340 MR. WOLSON: It is P-37, Mr. Edgett  
25 has advised.

1 32341 Tab 45, Exhibit P-37.

2 32342 I will read it into the record for  
3 those who don't have the MacKay binder available.

4 32343 Mr. Edgett has turned up for you July  
5 the 12th.

6 32344 MR. SCHREIBER: Yes.

7 32345 MR. WOLSON: Let me recap something  
8 for you. On July the 12th -- we looked at this a  
9 little earlier this morning. That was the day that you  
10 started the Britan account.

11 32346 We see from Navigant that July 12th  
12 was the day that you started the Britan account.

13 32347 Will you accept that from me for the  
14 moment?

15 32348 MR. SCHREIBER: Well, I would  
16 think -- as you know, I spoke to the banker earlier. I  
17 think the banker started it on the 12th.

18 32349 MR. WOLSON: All right. So the  
19 banker started it on the 12th.

20 32350 But on that same day --

21 32351 MR. SCHREIBER: Yes.

22 32352 MR. WOLSON: -- the day that the bank  
23 started the Britan account, you have, on the right-hand  
24 side, "Elmer" -- does that mean "Do the books"?  
25 32353 What are those words in German?

1 32354 MR. SCHREIBER: What I see here --

2 32355 MR. WOLSON: It says, "Elmer DO." and

3 then there is a word.

4 32356 MR. SCHREIBER: I can only guess.

5 32357 "DO." means Thursday in German.

6 32358 MR. WOLSON: Yes.

7 32359 MR. SCHREIBER: And "Buchen" would

8 mean "booking".

9 32360 MR. WOLSON: Booking.

10 32361 MR. SCHREIBER: Yeah.

11 32362 MR. WOLSON: So, "Do the booking"?

12 32363 MR. SCHREIBER: Yeah.

13 32364 MR. WOLSON: "Our Thursday booking,"

14 or something like that?

15 32365 MR. SCHREIBER: Yeah.

16 32366 MR. WOLSON: But, again, you have

17 Elmer MacKay in your diary the day that this account

18 was opened.

19 32367 MR. SCHREIBER: Yes.

20 32368 MR. WOLSON: You see that at 1500

21 hours, "MacKay - Thyssen - Massmann".

22 32369 MR. SCHREIBER: Yeah.

23 32370 MR. WOLSON: Do you see that?

24 32371 MR. SCHREIBER: Yeah.

25 32372 But, I can assure you, sir, the one

1           thing has nothing to do with the other.

2   32373                   MR. WOLSON:  And I would be pleased

3           if you would tell me that, because I am going to

4           continue.

5   32374                   If you would look at August 27th,

6           1993, in Mr. MacKay's book --

7   32375                   MR. SCHREIBER:  August 27?

8   32376                   MR. WOLSON:  The same tab, August

9           27th --

10  32377                   MR. SCHREIBER:  Yes.

11  32378                   MR. WOLSON:  Now, August 27th --

12  32379                   Are you with me on that one, sir?

13  32380                   MR. SCHREIBER:  Hang on.

14  32381                   MR. WOLSON:  August 27, '93.

15  32382                   MR. SCHREIBER:  Yes.

16  32383                   MR. WOLSON:  August 27th -- if you

17           would just look at me for one second, Mr. Schreiber,

18           because I want to ask you a question -- August 27th is

19           an important date, because that is the date of the

20           first payment to Mr. Mulroney.  Right?

21  32384                   MR. SCHREIBER:  At Mirabel, yeah.

22  32385                   MR. WOLSON:  August 27, 1993, in

23           Mirabel.

24  32386                   MR. SCHREIBER:  Yes.

25  32387                   MR. WOLSON:  You have in your book on

1 August 27th, "Telephone Elmer".

2 32388 MR. SCHREIBER: Yes.

3 32389 MR. WOLSON: Not just Elmer,

4 "Telephone Fred - telephone Brian - telephone Elmer -

5 telephone Fred".

6 32390 MR. SCHREIBER: Yes.

7 32391 MR. WOLSON: You spoke to Mr. MacKay

8 on the 5th of July '93, when you gave instructions to

9 open the account. You spoke to Mr. MacKay on the 12th

10 of July, when the account was opened. You spoke to Mr.

11 MacKay on the 27th of August, when monies were paid.

12 32392 And, then, if you would look, please,

13 to December 17 --

14 32393 MR. SCHREIBER: Let me show you

15 something here. When you look at the 27th, I am not

16 sure that I spoke to Elmer MacKay. I may have had the

17 intention to call him.

18 32394 Because you see two little arrows

19 there, one is on "Fred" and one is on "Brian".

20 32395 MR. WOLSON: Yes?

21 32396 MR. SCHREIBER: So that means I made

22 those calls.

23 32397 The other ones, it's uncertain.

24 32398 MR. WOLSON: But you had the

25 intention of calling him.



1 32399 MR. SCHREIBER: Yes.

2 32400 MR. WOLSON: And I am going to ask  
3 you a question after I refer you to all of these,  
4 because that question should be asked.

5 32401 Go to December 17 in the same book.

6 32402 MR. SCHREIBER: Yes, okay.

7 32403 MR. WOLSON: Now, December 17th has  
8 significance in this inquiry because that was the date,  
9 potentially, of the second payment to Mr. Mulroney, at  
10 the Queen Elizabeth Hotel in Montreal.

11 32404 MR. SCHREIBER: Yes.

12 32405 MR. WOLSON: On the date of that  
13 payment you have, "Telephone Elmer".

14 32406 MR. SCHREIBER: Yes.

15 32407 MR. WOLSON: Then, just to complete  
16 the series of questions that I want to ask you, we know  
17 that the final payment to Mr. Mulroney took place on  
18 December the 8th, 1994, at The Pierre Hotel in New  
19 York, New York. Right?

20 32408 MR. SCHREIBER: Yes.

21 32409 MR. WOLSON: Mr. MacKay was not in  
22 the meeting, but he was present.

23 32410 MR. SCHREIBER: Yes.

24 32411 MR. WOLSON: Is it nothing more than  
25 coincidence that whenever monies were to be arranged

1           Mr. MacKay was telephoned or --

2   32412                   I want your position on that, because

3           it would be fair to you and to Mr. MacKay.

4   32413                   MR. SCHREIBER: Well, Mr. Wolson, I

5           really think, when you look at the other pages around

6           the diaries, as I do here, you may see Mr. MacKay

7           nearly every day or every second day. We were always

8           chatting.

9   32414                   I informed him of what's going on,

10          and that I would meet with Mr. Ouellet on the project.

11   32415                   But I can assure you that Mr. MacKay,

12          at no time, had the smallest idea that I was in

13          business with Brian Mulroney and paid him money.

14   32416                   MR. WOLSON: All right, and that's

15          what I wanted to hear from you.

16   32417                   MR. SCHREIBER: That's it.

17   32418                   MR. WOLSON: I wanted to hear your

18          response to that.

19   32419                   MR. SCHREIBER: Yes.

20   32420                   MR. WOLSON: So you would say: Take

21          nothing from those diary entries. They are nothing

22          more than coincidence --

23   32421                   MR. SCHREIBER: Correct.

24   32422                   MR. WOLSON: -- and I speak to MacKay

25          frequently.

1 32423 MR. SCHREIBER: If Elmer would have  
2 known that I paid cash to Mr. Mulroney and he took it,  
3 Elmer would have been on the roof of a cathedral.

4 32424 MR. WOLSON: On the roof...?

5 32425 MR. SCHREIBER: Of a cathedral. Of a  
6 church.

7 32426 MR. WOLSON: Of a church, okay.

8 32427 The next area that I would like to  
9 question you about is the mandate document, because I  
10 should do that in fairness to you.

11 32428 MR. SCHREIBER: Yes.

12 32429 MR. WOLSON: That is the big book  
13 again, P-7, and it is Tab 128.

14 32430 MR. SCHREIBER: Yes, sir.

15 32431 MR. WOLSON: This was the document  
16 that we had discussed when you testified before; right?

17 32432 MR. SCHREIBER: Yes.

18 32433 MR. WOLSON: And you will have a  
19 blank document with some typing on it --  
20 You remember that?

21 32435 MR. SCHREIBER: Yes.

22 32436 MR. WOLSON: -- and the blank  
23 document with typing on it, you had indicated, was  
24 prepared by Mr. Doucet, you believed.

25 32437 MR. SCHREIBER: Yes.

1 32438 MR. WOLSON: You took the blank  
2 document when you left and put it in a file.

3 32439 MR. SCHREIBER: Yes.

4 32440 No, I handed it over to Mr.  
5 Greenspan.

6 32441 MR. WOLSON: All right, you handed it  
7 to your --

8 32442 MR. SCHREIBER: He put it in the  
9 file.

10 32443 MR. WOLSON: You handed it to your  
11 counsel.

12 32444 MR. SCHREIBER: Yes.

13 32445 MR. WOLSON: Then you saw, at this  
14 Commission of Inquiry -- and you have seen it before at  
15 the Ethics hearing -- the same document, which had  
16 writing on it.

17 32446 MR. SCHREIBER: Yes, sir.

18 32447 MR. WOLSON: Some of the writing was  
19 yours.

20 32448 MR. SCHREIBER: Yes, sir.

21 32449 MR. WOLSON: If you would look at the  
22 document with your writing on it, you have written in  
23 the names of your companies --

24 32450 MR. SCHREIBER: Yes.

25 32451 MR. WOLSON: -- Bayerische Bitumen --

1 32452 MR. SCHREIBER: -- Chemie, yes.

2 32453 MR. WOLSON: -- Chemie.

3 32454 MR. SCHREIBER: Yes.

4 32455 MR. WOLSON: Kaufering or

5 "Kautering".

6 32456 MR. SCHREIBER: Kaufering.

7 32457 MR. WOLSON: Kaufering, that's where

8 you live.

9 32458 MR. SCHREIBER: Yes.

10 32459 MR. WOLSON: And Bitucan.

11 32460 MR. SCHREIBER: Yes.

12 32461 MR. WOLSON: Calgary.

13 32462 MR. SCHREIBER: Yes.

14 32463 MR. WOLSON: That is the only writing

15 that appears on this document that is yours, is it, or

16 is there other writing?

17 32464 MR. SCHREIBER: No.

18 32465 MR. WOLSON: So I have read to you

19 the names of your companies, the location of your

20 residence in Germany --

21 32466 MR. SCHREIBER: Yes.

22 32467 MR. WOLSON: -- and that is something

23 that is on the document, and when I asked you before

24 about that document, you said, "It's a miracle".

25 32468 MR. SCHREIBER: And the Commissioner

1           laughed. That was the first time he heard that  
2           explanation.

3   32469                    COMMISSIONER OLIPHANT: Maybe it was  
4           on the roof of the same cathedral.

5           --- Laughter / Rires

6   32470                    MR. SCHREIBER: Commissioner, I said  
7           this before, English is not my mother's language, and I  
8           try to do my best. So once in a while I may use a word  
9           which may amuse you, but this is how I feel about it.

10  32471                    COMMISSIONER OLIPHANT: Would you  
11           like to choose another word, rather than "miracle"?

12  32472                    MR. SCHREIBER: Yeah.

13  32473                    MR. WOLSON: You said that it was a  
14           miracle, and it's good to believe in miracles, but I  
15           want to try to get to the bottom of this document.

16  32474                    The document has your writing on it.

17  32475                    MR. SCHREIBER: Yes.

18  32476                    MR. WOLSON: You don't know how it  
19           got there.

20  32477                    MR. SCHREIBER: In my recollection, I  
21           saw it the first time at the Ethics Committee.

22  32478                    MR. WOLSON: What I am going to point  
23           out to you is what we have learned from the expert from  
24           the Canada Border Agency -- and that is Exhibit I.

25  32479                    I want to read this to you, because I

1           want to get your response, because that would be the  
2           fair thing to do.

3   32480                    This document, with the writing on  
4           it, all of the writing, including your hand -- the  
5           writing that you identify as being yours --

6   32481                    MR. SCHREIBER:  Absolutely.

7   32482                    MR. WOLSON:  -- but that you say you  
8           didn't put on there --

9   32483                    MR. SCHREIBER:  Yeah.

10  32484                    MR. WOLSON:  You agree with that  
11          statement --

12  32485                    MR. SCHREIBER:  Yes.

13  32486                    MR. WOLSON:  -- you didn't put it on  
14          there.

15  32487                    MR. SCHREIBER:  Yes.  I have no  
16          recollection on that.

17  32488                    MR. WOLSON:  All right.  Let's leave  
18          out miracles for a moment, because it's hard to deal in  
19          miracles, although maybe some people are better at it  
20          than others.

21  32489                    Let me, then, tell you what the  
22          expert in handwriting analysis has to say.  One  
23          explanation would be, you would agree, Mr. Schreiber,  
24          that perhaps somebody traced your writing on that  
25          document.

1 32490 MR. SCHREIBER: Well, in theory, yes.

2 32491 MR. WOLSON: And we wanted to follow  
3 that up, because that would be important.

4 32492 This is what the expert has to say:

5 "With respect to the handwritten  
6 notations on the first document  
7 submitted, examination has  
8 revealed that these notations  
9 exhibit all signs of having been  
10 produced naturally and free from  
11 conscious execution. There is  
12 no evidence of the writings  
13 having been traced, or otherwise  
14 drawn upon the document. This  
15 observation stands for all the  
16 handwriting appearing on this  
17 document."

18 32493 And I suppose one could say that,  
19 maybe, somehow they Xeroxed that on, or did something.

20 32494 And what the expert says at Point 4  
21 is:

22 "There is no evidence to suggest  
23 insertions to the document  
24 text."

25 32495 Having heard that, it would only be



1 fair for me to ask you if you have -- on reflection, is  
2 it possible that you put those markings on that  
3 document, with Mr. Doucet, on the 4th of February 2000?

4 32496 MR. SCHREIBER: I have not the  
5 smallest recollection, and on top of this, this makes  
6 no sense to me at all.

7 32497 MR. WOLSON: You say it didn't  
8 happen, or do you say it's possible?

9 32498 MR. SCHREIBER: I have no  
10 recollection. To my recollection, I saw it the first  
11 time at the Ethics Committee.

12 32499 MR. WOLSON: All right. Is that your  
13 final --

14 32500 MR. SCHREIBER: As far as I am  
15 concerned, Mr. Wolson, for me it wouldn't even matter.

16 32501 MR. WOLSON: It wouldn't matter --

17 32502 MR. SCHREIBER: If I would have  
18 recalled that I have put the names of my companies  
19 there, why wouldn't I have said it?

20 32503 MR. WOLSON: I can't tell you that  
21 because --

22 32504 MR. SCHREIBER: It makes no sense.

23 32505 And the way it is written here, it's  
24 not the signature --

25 32506 I cannot tell you.

1 32507 MR. WOLSON: So you stand by the  
2 miracle principle.

3 32508 MR. SCHREIBER: Yes.

4 32509 MR. WOLSON: Okay. On another note,  
5 were there times when you saw Mr. Mulroney with a  
6 member of the Strauss family?

7 32510 MR. SCHREIBER: Yes.

8 32511 MR. WOLSON: Who?

9 32512 MR. SCHREIBER: Mark Strauss.

10 32513 MR. WOLSON: How often?

11 32514 MR. SCHREIBER: My recollection is  
12 once.

13 32515 MR. WOLSON: Mr. MacAdam talked about  
14 that in his evidence. Is that consistent with your  
15 recall, as well?

16 32516 MR. SCHREIBER: I think it was when  
17 Mr. Mulroney had become the Leader of the Opposition of  
18 the Conservative Party.

19 32517 MR. WOLSON: Which was a time that  
20 Mr. MacAdam talked about, and told the Commissioner  
21 about that.

22 32518 MR. SCHREIBER: Yeah, I think that's  
23 correct.

24 32519 MR. WOLSON: I want to, then, ask you  
25 about a document which is from Mr. Doucet's book, and I

1 will read it to you.

2 32520 It is Exhibit 29, Tab 41. It is an  
3 article from The National Post, August 20th of 1999,  
4 written by Philip Mathias, and it says this:

5 "Brian Mulroney, the former  
6 prime minister, has stepped up  
7 efforts to persuade Karlheinz  
8 Schreiber -- the man at the  
9 centre of the Airbus affair --  
10 to release his confidential  
11 Swiss bank accounts to the  
12 Canadian government so the  
13 matter can finally be put to  
14 rest.

15 Mr. Schreiber's bank records  
16 are the missing piece of an RCMP  
17 investigation into  
18 allegations..."

19 32521 -- and it talks about the  
20 allegations.

21 "'Nothing would make Mr.  
22 Mulroney happier than to have  
23 these documents opened up so  
24 that his innocence would be  
25 clear forever,' Luc Lavoie, Mr.

1 Mulroney's spokesman, said  
2 yesterday.

3 This week, Mr. Mulroney  
4 telephoned his former chief of  
5 staff, Fred Doucet, from South  
6 Africa, where the former prime  
7 minister is vacationing with his  
8 family, and asked him to  
9 organize another approach to Mr.  
10 Schreiber.

11 Mr. Doucet persuaded a  
12 former cabinet minister in Mr.  
13 Mulroney's government, a man who  
14 knew Mr. Schreiber, to telephone  
15 him on Mr. Mulroney's behalf and  
16 ask that the documents be  
17 released.

18 Over the last three years,  
19 Mr. Mulroney has interceded with  
20 Mr. Schreiber several times,  
21 both directly in telephone  
22 calls, and through  
23 intermediaries.

24 But Mr. Schreiber has always  
25 been unreceptive. `I don't want

1 to release the documents,' he  
2 told The National Post, 'because  
3 the whole procedure by the  
4 Canadian government is illegal,  
5 and I want to see them in court  
6 to prove this.'"

7 32522 Do you recall reading about this  
8 article?

9 32523 MR. SCHREIBER: Vaguely.

10 32524 I recall the event.

11 32525 MR. WOLSON: You had bank documents,  
12 according to this article, that Mr. Mulroney had wanted  
13 released to the RCMP -- Swiss banking documents.

14 32526 Do you recall that?

15 32527 MR. SCHREIBER: Well, I think that  
16 Philip Mathias asked me about that.

17 32528 MR. WOLSON: All right, and you  
18 indicated to him that you wouldn't release these  
19 documents to Mr. Mulroney, if he has quoted you  
20 accurately, at least.

21 32529 MR. SCHREIBER: No, that's correct.

22 32530 MR. WOLSON: Were those documents  
23 eventually seized by the police?

24 32531 MR. SCHREIBER: Yes.

25 32532 MR. WOLSON: Which police?

1 32533 The Swiss police?

2 32534 MR. SCHREIBER: Swiss.

3 32535 MR. WOLSON: So even at one point, if  
4 you wanted to release them, you didn't have them to  
5 release.

6 32536 MR. SCHREIBER: No.

7 32537 MR. WOLSON: Now, it says in this  
8 article:  
9 "Mr. Doucet persuaded a former  
10 cabinet minister in Mr.  
11 Mulroney's government, a man who  
12 knew Mr. Schreiber, to telephone  
13 him..."

14 32538 Would that be Mr. MacKay?

15 32539 MR. SCHREIBER: I have a vague  
16 recollection that Mr. MacKay at one time told me that  
17 there are -- what would you say -- activities to  
18 release all the things.

19 32540 I think it was somehow combined,  
20 because Mr. MacKay and Mr. Mathias from the Financial  
21 Post had a pretty good relationship.

22 32541 MR. WOLSON: All right. So you think  
23 MacKay may have called you?

24 32542 MR. SCHREIBER: Yes.

25 32543 MR. WOLSON: All right. Now, you

1           said a few minutes ago that you didn't tell Elmer about  
2           your relationship with Mr. Mulroney. In that Elmer was  
3           such a great believer in the project --

4   32544                   MR. SCHREIBER: Yes.

5   32545                   MR. WOLSON: And he was, wasn't he?

6   32546                   MR. SCHREIBER: Yes.

7   32547                   MR. WOLSON: And he was a believer in  
8           the project from the beginning.

9   32548                   MR. SCHREIBER: Yes.

10   32549                   MR. WOLSON: Why didn't you tell  
11           Elmer that you had Mr. Mulroney working for you in some  
12           respect?

13   32550                   MR. SCHREIBER: I think at that time  
14           what you are referring to, he knew anyhow.

15   32551                   MR. WOLSON: He knew anyhow?

16   32552                   MR. SCHREIBER: By then we had spoken  
17           about it because, as you know, about the bank, the bank  
18           accounts, that Mr. Mulroney had a massive interest. I  
19           said well, I can understand that.

20   32553                   MR. WOLSON: Well, when did Elmer  
21           MacKay know about your financial relationship with  
22           Mr. Mulroney?

23   32554                   MR. SCHREIBER: I think not before it  
24           was disclosed in the media.

25   32555                   MR. WOLSON: So not before 2001.

1 32556 MR. SCHREIBER: No. I did not speak  
2 about this with him.

3 32557 MR. WOLSON: But let me ask you:  
4 Going back to 1993 and 1994 when you hired Mr.  
5 Mulroney -- and we have been through this before -- and  
6 you hired him, you say to work on the Bear Head  
7 Project --

8 32558 MR. SCHREIBER: Yes.

9 32559 MR. WOLSON: -- domestically.

10 32560 MR. SCHREIBER: Yes.

11 32561 MR. WOLSON: Why wouldn't you tell  
12 Mr. MacKay that, you know, Elmer -- and you speak to  
13 him all the time; right?

14 32562 MR. SCHREIBER: Yes.

15 32563 MR. WOLSON: You spoke to MacKay all  
16 the time?

17 32564 MR. SCHREIBER: Yes.

18 32565 MR. WOLSON: He is a close friend.

19 32566 MR. SCHREIBER: Yes.

20 32567 MR. WOLSON: You confided in him?

21 32568 MR. SCHREIBER: Yes.

22 32569 MR. WOLSON: He confided in you?

23 32570 MR. SCHREIBER: Yes.

24 32571 MR. WOLSON: Why wouldn't you tell  
25 Mr. MacKay, you know, Elmer, I have hired the Prime



1 Minister of Canada when he has left office to work for  
2 me on Bear Head. You know, we have a real shot here.

3 32572 MR. SCHREIBER: Oh yes, this is what  
4 I told him.

5 32573 MR. WOLSON: Oh, you told him that?

6 32574 MR. SCHREIBER: Sure.

7 32575 MR. WOLSON: When did you tell him  
8 that?

9 32576 MR. SCHREIBER: After the meeting at  
10 Harrington Lake I told him that the Prime Minister  
11 thinks he can help if Kim Campbell wins the next  
12 election.

13 32577 MR. WOLSON: Did you tell Elmer  
14 MacKay that you hired Brian Mulroney after he left  
15 office?

16 32578 MR. SCHREIBER: No.

17 32579 MR. WOLSON: That you actually hired  
18 him.

19 32580 MR. SCHREIBER: No. And paid him,  
20 no.

21 32581 MR. WOLSON: Why wouldn't you do  
22 that, to tell him, your good friend, a person who you  
23 confide in, to tell him that boy, I've got the best guy  
24 I could have in my corner for this project?

25 32582 MR. SCHREIBER: I haven't done it.

1 32583 MR. WOLSON: You hadn't done it.

2 32584 MR. SCHREIBER: I haven't done it. I  
3 did not tell him. I told nobody.

4 32585 MR. WOLSON: Okay. Just a few more  
5 areas.

6 32586 I've got you smiling again, so that's  
7 good.

8 32587 When you testified and Mr. Pratte was  
9 asking you questions, he asked you at page 869, line  
10 13:

11 "MR. PRATTE: When did you have  
12 a meeting with him just  
13 one-on-one when he was Prime  
14 Minister?"

15 32588 So Mr. Pratte was asking you about  
16 meetings you had with the Prime Minister and in  
17 particular one-on-one meetings.

18 32589 And you said at page 869, line 16:

19 "MR. SCHREIBER: In his office.  
20 MR. PRATTE: When was that?  
21 MR. SCHREIBER: I don't recall  
22 the date, but I could -- I know  
23 what the event was, but I don't  
24 want to talk about this now.  
25 MR. PRATTE: You don't want to

1 talk about this now.

2 MR. SCHREIBER: No."

3 32590 And Mr. Pratte moved on. So what is

4 left out there is a suspicion because there are a lot

5 of suspicions.

6 32591 You know that, sir, don't you?

7 32592 MR. SCHREIBER: Yes.

8 32593 MR. WOLSON: And I want to clear up

9 that suspicion because you have told me what that

10 conversation -- or you didn't tell me, but I am aware

11 of it.

12 32594 You had met with Prime Minister

13 Mulroney about a mutual friend of his and yours.

14 32595 MR. SCHREIBER: Yes.

15 32596 MR. WOLSON: A man who has absolutely

16 nothing to do with the matters before this Inquiry.

17 32597 MR. SCHREIBER: No.

18 32598 MR. WOLSON: He was having some

19 personal difficulties.

20 32599 MR. SCHREIBER: Yes.

21 32600 MR. WOLSON: And you and Mr. Mulroney

22 were trying to see if you could help the man.

23 32601 MR. SCHREIBER: Correct, sir.

24 32602 MR. WOLSON: It has nothing to do

25 with allegations of Airbus or allegations of Bear Head

1           or anything like that?

2   32603                   MR. SCHREIBER:  Not the smallest.

3   32604                   MR. WOLSON:  All right.

4   32605                   That's how rumours get started, so I

5           thought that I should speak to you about that.

6   32606                   MR. SCHREIBER:  That's okay.

7   32607                   MR. WOLSON:  All right?

8   32608                   MR. SCHREIBER:  That's okay with me.

9   32609                   MR. WOLSON:  In your --

10  32610                   COMMISSIONER OLIPHANT:  How are you

11           doing?  Are you okay, Mr. Schreiber?

12  32611                   MR. SCHREIBER:  Sir, I am wonderful

13           and Mr. Wolson asks me all the time why I smile.  If

14           you would permit me to tell you why, I would like to

15           say it.

16  32612                   COMMISSIONER OLIPHANT:  Well, okay.

17  32613                   MR. SCHREIBER:  I am so grateful to

18           this Inquiry, you wouldn't believe, because you brought

19           the first time to light what really happened to

20           Thyssen, to myself, to the people from Nova Scotia and

21           our soldiers.  And you think I should not be grateful

22           and be very friendly to you?

23  32614                   I thank you from the bottom of my

24           heart.

25  32615                   COMMISSIONER OLIPHANT:  Okay.

1 32616 MR. SCHREIBER: Now you know why I  
2 smile when I look at you.

3 32617 MR. WOLSON: All right. Thank you  
4 for that.

5 32618 I have two areas that I want to talk  
6 to you about.

7 32619 In your examinations to date I had  
8 indicated to you at one point by my count there were 10  
9 or 11 meetings you had with the Prime Minister, and  
10 your response was: That's by your count of the letters  
11 and diaries; that doesn't mean that I haven't seen him  
12 more often.

13 32620 So what I want to know from you: Are  
14 there occasions when you saw the Prime Minister while  
15 he was in office that aren't in your diaries?

16 32621 MR. SCHREIBER: Could very well be.

17 32622 Mr. Wolson, I was here for 8-1/2  
18 years, or even more, working on the project, so when I  
19 look at this and you would ask me did you see the Prime  
20 Minister once a year, that would be a joke.

21 32623 I met him much more, but not in --  
22 what can I say, for meetings that had been set up on  
23 the project or what. I may have seen him with Frank.  
24 I may have seen him in the lobby. I may have seen him  
25 in the hall from the House. I may have seen him at

1 fund raising dinners, whatever it is.

2 32624 This is nothing you find in my  
3 diaries. This is not like a book where I go and say  
4 oh, today I met...

5 32625 My diaries show you what my  
6 intentions are and what I would like to do. And then  
7 it happens or it doesn't happen, but that doesn't mean  
8 that everything I did was in my diaries.

9 32626 MR. WOLSON: So your diaries are just  
10 part of the picture as to your contact with the Prime  
11 Minister?

12 32627 MR. SCHREIBER: Exactly.

13 32628 MR. WOLSON: There were phone calls,  
14 I'm assuming, that aren't noted.

15 32629 MR. SCHREIBER: A lot.

16 32630 MR. WOLSON: There were meetings that  
17 aren't noted?

18 32631 MR. SCHREIBER: Yes.

19 32632 MR. WOLSON: And when --

20 32633 MR. SCHREIBER: Well, we have to  
21 define when you say meetings. I tried to explain to  
22 you a meeting, a formal meeting with him is one thing.  
23 Seeing him somehow, talk to him for 10 minutes, for 15  
24 minutes at a fund-raising dinner or another social  
25 events, that's not a meeting for me.

1 32634 MR. WOLSON: But when you talked to  
2 him on these other occasions, was it only on a social  
3 basis or was it on a Bear Head basis, or both?

4 32635 MR. SCHREIBER: Oh, it could be both.

5 32636 MR. WOLSON: So just by taking your  
6 diaries, we are not going to have the complete picture.  
7 We have to know that you saw him on occasions and  
8 talked to him on occasions which are not noted in your  
9 diary.

10 32637 Do you agree with that?

11 32638 MR. SCHREIBER: In order to be  
12 correct, it could be that there are -- if it just  
13 doesn't deal with meetings seeing Brian, it could be in  
14 my diary and it didn't happen.

15 32639 MR. WOLSON: Yes.

16 32640 MR. SCHREIBER: So the diary is not a  
17 complete picture.

18 32641 MR. WOLSON: The complete picture is  
19 your recall of it --

20 32642 MR. SCHREIBER: Yes.

21 32643 MR. WOLSON: -- your memory of it?

22 32644 MR. SCHREIBER: Yes. But when I  
23 think about eight years or nine years seeing the Prime  
24 Minister once a year, this is just a joke.

25 32645 MR. WOLSON: How often would you have

1           seen him?

2   32646                   MR. SCHREIBER:   Hmm?

3   32647                   MR. WOLSON:   How often would you have

4           seen him?

5   32648                   MR. SCHREIBER:   Well, I might have

6           seen him one, two, three times during one visit,

7           another time I may have seen him not, or another time I

8           may have seen him one.

9   32649                   I have no way to find that out

10          precisely for you.

11   32650                   MR. WOLSON:   So you would come into

12          Canada from Germany or other countries.

13   32651                   MR. SCHREIBER:   Yes.

14   32652                   MR. WOLSON:   You would be here for

15          sometime doing your work.

16   32653                   MR. SCHREIBER:   Yes.

17   32654                   MR. WOLSON:   And during that time you

18          would have some arranged meetings with the Prime

19          Minister?

20   32655                   MR. SCHREIBER:   Exactly.

21   32656                   MR. WOLSON:   You would have some

22          meetings that weren't arranged, just drop-ins.

23   32657                   MR. SCHREIBER:   Yes, exactly.

24   32658                   MR. WOLSON:   You would have some

25          telephone attendances on him?



1 32659 MR. SCHREIBER: Exactly.

2 32660 MR. WOLSON: Would you also speak to  
3 him from your country of Germany or when you weren't in  
4 Canada?

5 32661 MR. SCHREIBER: It depends on the  
6 timeframe what you are talking about.

7 32662 MR. WOLSON: All right. So you  
8 had -- and I'm assuming when you were in Canada you had  
9 access if you wanted it.

10 32663 MR. SCHREIBER: Yes.

11 32664 MR. WOLSON: And that access would  
12 come from either Fred Doucet --

13 32665 MR. SCHREIBER: Yes.

14 32666 MR. WOLSON: -- or the boys from GCI?

15 32667 MR. SCHREIBER: Yes. Especially from  
16 Frank Moores, more even from Gary Ouellet.

17 32668 MR. WOLSON: Okay.

18 32669 You said before that your bank  
19 documents were seized by the Swiss.

20 32670 MR. SCHREIBER: Yes.

21 32671 MR. WOLSON: That article that I  
22 referred you to was written in 1999, August 20.

23 32672 MR. SCHREIBER: Yes.

24 32673 MR. WOLSON: When were your bank  
25 documents seized?

1 32674 MR. SCHREIBER: In 1995. And here we  
2 have another -- I shouldn't say miracle, but another  
3 specialty, that the CBC, the fifth estate, I think got  
4 the documents in 1999, to my great surprise.

5 32675 You may recall the RCMP got them the  
6 first time in 2003 or so.

7 32676 MR. WOLSON: So the --

8 32677 MR. SCHREIBER: I know in the  
9 meantime the source, how it worked, but --

10 32678 MR. WOLSON: Yes. The fifth estate  
11 had the documents before the police did?

12 32679 MR. SCHREIBER: They had -- yes,  
13 absolutely. They had the bank documents.

14 32680 MR. WOLSON: Did you give them to the  
15 fifth estate?

16 32681 MR. SCHREIBER: No. But I know in  
17 the meantime how they received them.

18 32682 MR. WOLSON: I see. You didn't give  
19 them.

20 32683 MR. SCHREIBER: No.

21 32684 MR. WOLSON: They are your documents.

22 32685 MR. SCHREIBER: Yes.

23 32686 MR. WOLSON: They had them before the  
24 police did.

25 32687 MR. SCHREIBER: Yes. From a very,

1           very clever American journalist.

2   32688                   MR. WOLSON:  I see.

3   32689                   If I may just have a moment, I don't

4           believe that I have any further questions --

5   32690                   COMMISSIONER OLIPHANT:  Okay.

6   32691                   MR. WOLSON:  -- with one exception,

7           that I may have some questions on Navigant that I would

8           save for re-examination based on our earlier

9           discussions.

10  32692                   So if you would just give me one

11          moment, please.

12  32693                   COMMISSIONER OLIPHANT:  Okay.

13          --- Pause

14  32694                   MR. WOLSON:  Good morning,

15          Mr. Schreiber.  Those are the questions I have for you

16          now, but I may need to speak to you again at a later

17          time.  Thank you.

18  32695                   MR. SCHREIBER:  Thank you,

19          Mr. Wolson.

20  32696                   COMMISSIONER OLIPHANT:  Mr.

21          Pratte...?

22  32697                   MR. PRATTE:  I have no questions,

23          sir.

24  32698                   COMMISSIONER OLIPHANT:  Thank you.

25  32699                   Mr. Vickery...?

1 32700 MR. VICKERY: I have no questions,  
2 sir. Thank you.

3 32701 COMMISSIONER OLIPHANT: Thank you.

4 32702 Mr. Houston...?

5 --- Pause

6 32703 COMMISSIONER OLIPHANT: Good morning,  
7 Mr. Houston.

8 32704 MR. HOUSTON: Good morning,  
9 Commissioner.

10 32705 COMMISSIONER OLIPHANT: Are you okay  
11 to keep going, Mr. Schreiber?

12 32706 MR. SCHREIBER: Please...?

13 32707 COMMISSIONER OLIPHANT: Do you need a  
14 break? Are you okay to keep going?

15 32708 MR. SCHREIBER: No, I am okay.

16 32709 COMMISSIONER OLIPHANT: Okay.

17 32710 MR. SCHREIBER: It depends for how  
18 long.

19 EXAMINATION: KARLHEINZ SCHREIBER BY MR. HOUSTON /  
20 INTERROGATOIRE : KARLHEINZ SCHREIBER PAR Me HOUSTON

21 32711 MR. HOUSTON: Mr. Schreiber, you  
22 talked about bank records being seized by the Swiss  
23 police.

24 32712 MR. SCHREIBER: Yes.

25 32713 MR. HOUSTON: Did the bank records of

1           the Bank of Nova Scotia and the Bank of Montréal in  
2           Calgary, Alberta, get seized by the Swiss authorities?  
3 32714                   MR. SCHREIBER:  No.  
4 32715                   MR. HOUSTON:  You heard my quite  
5           brief questions yesterday of the official from Navigant  
6           about the records that we have for Bank of Nova Scotia  
7           for Bitucan, which is at Binder 1 of 2, the big binders  
8           that I think are to your left.  
9 32716                   MR. SCHREIBER:  Mr. Doucet's?  
10 32717                   MR. HOUSTON:  No.  
11 32718                   MR. SCHREIBER:  For me?  This one?  
12 32719                   MR. HOUSTON:  Navigant document, sir,  
13           Binder 1 of 2.  
14 32720                   MR. SCHREIBER:  Yes, okay.  
15 32721                   MR. HOUSTON:  I'm going to come to --  
16           no, you have the wrong document.  It looks like this,  
17           sir.  It's a great big one.  
18 32722                   COMMISSIONER OLIPHANT:  Maybe the  
19           Registrar can -- what exhibit are we talking about?  
20 32723                   MR. HOUSTON:  It is P-42,  
21           Mr. commissioner.  
22 32724                   COMMISSIONER OLIPHANT:  All right,  
23           thanks.  We will get that for Mr. Schreiber in just a  
24           moment.  
25           --- Pause

1 32725 MR. HOUSTON: Do you have that now,  
2 sir?

3 32726 MR. SCHREIBER: Yes.

4 32727 MR. HOUSTON: Could you turn to Tab  
5 9.

6 32728 MR. SCHREIBER: Okay.

7 32729 MR. HOUSTON: These are bank records  
8 for the Bitucan account with Bank of Nova Scotia  
9 beginning, it appears, in March of 1989.

10 32730 Do you see that? Sir...?

11 32731 MR. SCHREIBER: April, March, yeah,  
12 it could be.

13 32732 MR. HOUSTON: And runs through for a  
14 number of years. You see down at the bottom the  
15 reference is 80 pages.

16 32733 Do you see the reference at the  
17 bottom of each of the pages of the bank statements?

18 32734 MR. SCHREIBER: Yes.

19 32735 MR. HOUSTON: Did you retain the  
20 cheques from this particular bank account, sir?

21 32736 MR. SCHREIBER: Please...?

22 32737 MR. HOUSTON: Cheques are written on  
23 this bank account. Did you retain the cheques?

24 32738 MR. SCHREIBER: Whether I received a  
25 cheque?

1 32739 MR. HOUSTON: No. Bitucan, does that  
2 company -- I understood from answers you had given  
3 earlier was a company controlled by you.

4 32740 Is that not correct?

5 32741 MR. SCHREIBER: Yes. Yes.

6 32742 MR. HOUSTON: We have bank records  
7 that go on for a number of years.

8 32743 MR. SCHREIBER: Yes.

9 32744 MR. HOUSTON: And the information  
10 from the people at Navigant indicate that in the period  
11 from 1989 through 1993, \$1,203,582 were written on  
12 cheques on this account.

13 32745 Did you retain those cheques?

14 32746 MR. SCHREIBER: Well, I have no  
15 recollection that I ever signed a cheque for that  
16 company. This might have been by the manager.

17 32747 MR. HOUSTON: That's not the question  
18 I asked you, sir.

19 32748 COMMISSIONER OLIPHANT: I think the  
20 difficulty might be with the word "retain".

21 32749 MR. HOUSTON: All right. Perhaps,  
22 sir.

23 32750 When you received the bank  
24 statements, did they return to you the cancelled  
25 cheques?

1 32751 MR. SCHREIBER: I did not receive  
2 this bank statements.

3 32752 MR. HOUSTON: You didn't receive  
4 these bank statements?

5 32753 MR. SCHREIBER: No.

6 32754 MR. HOUSTON: Well, then quickly turn  
7 to Tab 10.

8 32755 MR. SCHREIBER: Yes.

9 32756 MR. HOUSTON: These are the "records"  
10 of the bank account at the Bank of Montréal.

11 32757 Did you have any control over that  
12 particular account?

13 32758 MR. SCHREIBER: I'm not sure whether  
14 I had the signature there.

15 32759 MR. HOUSTON: I'm sorry, sir?

16 32760 MR. SCHREIBER: I have no idea  
17 whether I had the signature there. It could be, I  
18 don't know. I don't recall.

19 32761 MR. HOUSTON: Can you assist the  
20 Commission at all in advising why we have bank records  
21 for the Bank of Nova Scotia for a four or five-year  
22 period and no records, no bank statements for Bank of  
23 Montréal?

24 32762 MR. SCHREIBER: I have no idea.

25 32763 MR. HOUSTON: All we have from the



1 Bank of Montréal are the face of five cheques.

2 32764 Can you assist on why these are the  
3 only records available for Bank of Montréal Bitucan  
4 account for 1988?

5 32765 MR. SCHREIBER: One had to be asked  
6 of Mrs. Lutz or Mr. Pelossi. I was not involved in  
7 this.

8 32766 MR. HOUSTON: You are not involved in  
9 this?

10 32767 MR. SCHREIBER: And it's not my  
11 signature, no.

12 32768 MR. HOUSTON: Well, I asked you this  
13 before. You don't recognize the signature of the  
14 person signing for Bitucan.

15 32769 MR. SCHREIBER: I don't know who it  
16 is. It could be Mrs. Lutz. This is a guess. I don't  
17 know.

18 32770 MR. HOUSTON: So you have no  
19 information as to why the only records available for  
20 Bank of Montréal are the copies of these cheques?

21 32771 MR. SCHREIBER: They may have a lot  
22 of other documents from the Bank of Montréal, but I  
23 would have to guess. I have no idea.

24 32772 I was not involved in the daily  
25 business and I didn't care on top of this.

1 32773 MR. HOUSTON: I see.

2 32774 MR. SCHREIBER: Was Mr. Dickie  
3 around, he might be helpful to that.

4 32775 MR. HOUSTON: I'm sorry, sir, who?

5 32776 MR. SCHREIBER: Mr. Dickie might be  
6 helpful to this, the previous Minister of Mines and  
7 Minerals in Alberta.

8 32777 MR. HOUSTON: Well, why would he have  
9 bank records for the Bitucan Bank of Montréal?

10 32778 MR. SCHREIBER: He was involved. He  
11 was involved. I think he was an officer there.

12 32779 MR. HOUSTON: But in any event, you  
13 have no explanation at all?

14 32780 MR. SCHREIBER: No. Well, no  
15 explanation, what do you mean? I can only say I didn't  
16 sign it, but I don't know who signed it. Was it  
17 Mr. Dickie, was it Mrs. Lutz? I don't know.

18 32781 MR. HOUSTON: I'm not interested at  
19 the moment --

20 32782 MR. SCHREIBER: I can find out for  
21 you if you want.

22 32783 MR. HOUSTON: Well, sir, just a  
23 moment ago you were smiling, you were so happy that we  
24 have had this inquiry which is to look into these  
25 matters.

1 32784 MR. SCHREIBER: Oh yes.

2 32785 MR. HOUSTON: I'm asking you today,  
3 sir --

4 32786 MR. SCHREIBER: I said this before, I  
5 am very grateful that this happened, that Canadians  
6 will finally find out what happened, what a mess it was  
7 with the Thyssen project. I think you easily should  
8 agree with me.

9 32787 MR. HOUSTON: Sir, I am only  
10 interested at the moment in bank records of a bank  
11 account, Bank of Montréal Alberta.

12 32788 MR. SCHREIBER: Yes.

13 32789 MR. HOUSTON: And you have no  
14 explanation as to why the records are not available?

15 32790 MR. SCHREIBER: No.

16 32791 MR. HOUSTON: All right, sir.

17 32792 MR. SCHREIBER: And why can I say  
18 they are not available.

19 32793 MR. HOUSTON: I beg your pardon?

20 32794 MR. SCHREIBER: Why would I say they  
21 are not available? Where are these documents from?

22 32795 MR. HOUSTON: These are the documents  
23 that Navigant had to complete the investigation they  
24 have been doing over the past number of months. They  
25 have the Bank of Nova Scotia records for a number of

1           years. They don't have one single bank statement from  
2           the Bank of Montréal in which these cheques were --  
3 32796                           MR. SCHREIBER: Sir, I can tell  
4           you --  
5 32797                           MR. HOUSTON: Wait until I get  
6           finished, sir.  
7 32798                           They don't have one single bank  
8           statement for these accounts, or for this account on  
9           which these cheques were allegedly drawn, and you have  
10          no explanation for that.  
11 32799                           MR. SCHREIBER: And, sir, Navigant  
12          did not get the bank statements from Nova Scotia from  
13          me either. So you have to look for the source where  
14          they came from and ask them.  
15 32800                           You are on the wrong address with me.  
16 32801                           MR. HOUSTON: I see.  
17 32802                           I will turn to one last area, sir.  
18 32803                           The Navigant report, do you have it?  
19 32804                           MR. SCHREIBER: Yes.  
20 32805                           MR. HOUSTON: I think that would be  
21          perhaps 41.  
22 32806                           MR. WOLSON: Forty.  
23 32807                           MR. HOUSTON: Forty. Thank you,  
24          Mr. Wolson.  
25 32808                           Sir, would you turn near the back.

1           It is Schedule 17.

2   32809                   MR. SCHREIBER:  Hang on.  It should  
3           be this one.

4   32810                   Yes, Schedule 17.  Yes, I have it.

5   32811                   MR. HOUSTON:  Now, it is a two-page  
6           report and at the top of the first page we see, and I  
7           quote:

8                           "Summary Schedule of Known Cash  
9                           Withdrawals from Swiss Bank  
10                          Corporation, Zurich"

11   32812                   And then there are account numbers.

12           Do you see that?

13   32813                   MR. SCHREIBER:  Yes.

14   32814                   MR. HOUSTON:  And then at the bottom  
15           of the report on this page you see under Note 1 there  
16           is a qualifier, I will call it that, by the Navigant  
17           people.

18   32815                   Do you see this, sir, talking about  
19           bank statements, and I quote:

20                          "Not all bank statements for  
21                          these accounts are not available  
22                          for our review.  Without bank  
23                          statements we are unable to  
24                          determine the completeness of  
25                          the bank documents provided."

1 32816 I'm going to suggest to you, sir,  
2 that what the accountant is indicating is that we know  
3 there were at least these cash withdrawals, but there  
4 may have been others because we don't have all the bank  
5 statements.

6 32817 Do you understand that, sir?

7 32818 MR. SCHREIBER: It could be.

8 32819 MR. HOUSTON: One of the accounts for  
9 which they don't have complete statements was IAL  
10 account 18679, 18679.0 and 18679.1.

11 32820 Do you see that at the top of the  
12 previous page?

13 32821 MR. SCHREIBER: Yes.

14 32822 MR. HOUSTON: I'm just going to zero  
15 in on one area, sir. 1993.

16 32823 Do you see that? That is on the  
17 second page.

18 32824 MR. SCHREIBER: Yes.

19 32825 MR. HOUSTON: In 1993 the accountants  
20 record that you withdrew \$425,000 Canadian in that  
21 year, 442,075 Swiss francs and 910,000 German Deutsche  
22 Marks.

23 32826 Do you see that, sir?

24 32827 MR. SCHREIBER: Where do you read  
25 that?

1 32828 MR. HOUSTON: Do you see 1993, a  
2 third of the way down the page? And then there are  
3 summaries for each of the years.

4 32829 It's on page 2. It is only a  
5 two-page report.

6 32830 Do you not have that, sir?

7 32831 MR. SCHREIBER: "The schedule was  
8 prepared..."

9 32832 MR. HOUSTON: It's page 2, 1993.

10 32833 COMMISSIONER OLIPHANT: Mr. Edgett,  
11 could you maybe help Mr. Schreiber, please?  
12 --- Pause

13 32834 MR. SCHREIBER: So what are you  
14 talking about now, the total --

15 32835 MR. HOUSTON: The total.

16 32836 MR. SCHREIBER: Total withdrawals  
17 from there?

18 32837 MR. HOUSTON: Total withdrawals in  
19 the year 1993. The accountant gives a subtotal. Just  
20 zero in on the cash Canadian for the moment. Do you  
21 see the \$425,000?

22 32838 MR. SCHREIBER: Yes.

23 32839 MR. HOUSTON: Now I want to refer  
24 specifically, sir, to the 3rd day of November, the 11th  
25 month, 1993.

1 32840 Do you see there are a number of  
2 entries for that day?

3 32841 Do you see that, sir?

4 32842 MR. SCHREIBER: The 11th of --

5 32843 MR. HOUSTON: No, it is the 3rd day  
6 of November 1993, 11/3/1993.

7 32844 MR. SCHREIBER: Yes.

8 32845 MR. HOUSTON: The first one we see is  
9 \$100,000 "RUBRIK 'BRITAN'".

10 32846 Do you see that?

11 32847 MR. SCHREIBER: Yes.

12 32848 MR. HOUSTON: The same day there is a  
13 \$50,000 withdrawal in Canadian funds from "FRANKFURT".

14 32849 Do you see that, sir?

15 32850 MR. SCHREIBER: Yes.

16 32851 MR. HOUSTON: There are also  
17 withdrawals in Swiss francs, one from the Frankfurt  
18 account.

19 32852 I thought that was a Canadian dollar  
20 account. Was that a Canadian dollar account or not?

21 32853 MR. SCHREIBER: The first one.

22 32854 MR. HOUSTON: No, let's just look at  
23 the second withdrawal from Frankfurt: 76,000 Swiss  
24 francs.

25 32855 MR. SCHREIBER: Yes.



1 32856 MR. HOUSTON: You withdrew that the  
2 same day you withdrew \$50,000 Canadian from Frankfurt.

3 32857 MR. SCHREIBER: It could be.

4 32858 MR. HOUSTON: Do you see that?

5 32859 MR. SCHREIBER: Yes.

6 32860 MR. HOUSTON: There is a withdrawal,  
7 another withdrawal in Swiss francs, then there is  
8 \$200,000 in Deutsche Marks, the same day, the 3rd day  
9 of November, 1993.

10 32861 Do you see that?

11 32862 MR. SCHREIBER: Yes.

12 32863 MR. HOUSTON: And then there is  
13 another withdrawal of \$50,000 Canadian, this time from  
14 account 18679.1.

15 32864 MR. SCHREIBER: Yes.

16 32865 MR. HOUSTON: On the 3rd day of  
17 November, 1993 you withdrew \$200,000 Canadian.

18 32866 MR. SCHREIBER: Yes.

19 32867 MR. HOUSTON: From three separate  
20 accounts.

21 32868 MR. SCHREIBER: Yes.

22 32869 MR. HOUSTON: Do you recall what you  
23 did with the other \$100,000 you withdrew from the other  
24 two accounts?

25 32870 MR. SCHREIBER: No, but I can assure

1           you it has nothing to do with Bear Head and it has  
2           nothing to do with the request of your client to get  
3           Airbus funds from me.

4   32871                   MR. HOUSTON:  I won't even pick up  
5           the bait on that, Mr. Schreiber.

6   32872                   MR. SCHREIBER:  Up to you.

7   32873                   MR. HOUSTON:  I'm asking you a  
8           question, sir.

9   32874                   MR. SCHREIBER:  Please...?

10   32875                   MR. HOUSTON:  Do you know what you  
11          did with the other \$100,000 Canadian you withdrew --

12   32876                   MR. SCHREIBER:  No.

13   32877                   MR. HOUSTON:  -- on the exact same  
14          day?

15   32878                   MR. SCHREIBER:  No.

16   32879                   MR. HOUSTON:  Fine.  Thank you very  
17          much.  Those are my questions.

18   32880                   Thank you, Mr. Commissioner.

19   32881                   COMMISSIONER OLIPHANT:  Thank you.

20   32882                   Mr. Auger, do you have any questions?

21   32883                   MR. AUGER:  Commissioner, I will have  
22          questions briefly, but I'm going to ask for your  
23          permission that we take a break.

24   32884                   COMMISSIONER OLIPHANT:  Well, it is  
25          12 noon.  How long do you expect to be, Mr. Auger?

1 32885 MR. AUGER: Certainly less than half  
2 an hour. Maybe 15 minutes, in that range,  
3 Mr. Commissioner.

4 32886 COMMISSIONER OLIPHANT: The last time  
5 I talked about 10 minutes it turned into 40.

6 32887 MR. WOLSON: Mr. Commissioner, if I  
7 might, given that time in terms of preparation is very  
8 important to all of us, is it possible -- and you would  
9 have to canvass my friends whether we broke now for  
10 half an hour, continued on with the examination of  
11 Mr. Schreiber. We would be finished, then, early and  
12 we would be able to leave and attend to other matters  
13 which all of us have.

14 32888 Unless somebody has an objection to  
15 that, that would be my suggestion.

16 32889 COMMISSIONER OLIPHANT: So break for  
17 half an hour, let Mr. Auger ask his questions and then  
18 get back to work elsewhere.

19 32890 MR. WOLSON: That's right.

20 32891 COMMISSIONER OLIPHANT: Mr.  
21 Pratte...?

22 32892 MR. PRATTE: That's fine, sir.

23 32893 COMMISSIONER OLIPHANT: Okay.

24 32894 Mr. Vickery...?

25 32895 MR. VICKERY: That would be fine.

1           Thank you.

2   32896                   MR. HOUSTON:  That's fine, sir.

3   32897                   COMMISSIONER OLIPHANT:  Mr. Auger...?

4   32898                   MR. AUGER:  That would be agreeable.

5   32899                   COMMISSIONER OLIPHANT:  Okay.

6   32900                   Just before we leave, and while it is

7           on my mind, I want to go back to the miraculous

8           document, if we could, because you gave an answer and I

9           want to make sure that I understand your position.

10  32901                   In answer to Mr. Wolson in reference

11           to that money, to the writing, the writing on the

12           document is yours.

13  32902                   MR. SCHREIBER:  Yes.

14  32903                   COMMISSIONER OLIPHANT:  You agree

15           with that.  But you've --

16  32904                   MR. SCHREIBER:  It looks like, yes.

17  32905                   COMMISSIONER OLIPHANT:  And what you

18           told Mr. Wolson was:  I have not the smallest

19           recollection of writing on the document.

20  32906                   MR. SCHREIBER:  Yes, sir.

21  32907                   COMMISSIONER OLIPHANT:  Now, you know

22           it is one thing not to remember something --

23  32908                   MR. SCHREIBER:  Yes.

24  32909                   COMMISSIONER OLIPHANT:  -- and it is

25           another to deny that it happened.

1 32910 MR. SCHREIBER: Yes.

2 32911 COMMISSIONER OLIPHANT: What are you  
3 saying? Is it that you don't remember writing on the  
4 document or do you deny that you wrote on the document?  
5 32912 Do you understand the question?  
6 32913 MR. SCHREIBER: Yes. My point is, I  
7 accept my writing and I deny that I wrote it on that  
8 document.  
9 32914 COMMISSIONER OLIPHANT: Okay. So you  
10 are not telling me that you don't remember writing on  
11 the document. You are saying it is my writing, but I  
12 deny having written those words on that document?  
13 32915 MR. SCHREIBER: Yes.  
14 32916 COMMISSIONER OLIPHANT: Okay.  
15 32917 We will break for half an hour.  
16 --- Upon recessing at 12:00 p.m. / Suspension à 12 h 00  
17 --- Upon resuming at 12:34 p.m. / Reprise à 12 h 34  
18 32918 COMMISSIONER OLIPHANT: Be seated,  
19 please.  
20 32919 Mr. Auger, good morning.  
21 32920 MR. AUGER: Good morning. Thank you,  
22 Commissioner, for that indulgence.  
23 EXAMINATION: KARLHEINZ SCHREIBER BY MR. AUGER /  
24 INTERROGATOIRE : KARLHEINZ SCHREIBER PAR Me AUGER  
25 32921 MR. AUGER: Mr. Schreiber, you were

1 present yesterday when Mr. Whitla from Navigant  
2 testified?

3 32922 MR. SCHREIBER: Yes.

4 32923 MR. AUGER: And you listened to that  
5 evidence?

6 32924 MR. SCHREIBER: Yes.

7 32925 MR. AUGER: And you reviewed the  
8 report that has been filed?

9 32926 MR. SCHREIBER: Yes.

10 32927 MR. AUGER: I take it that with the  
11 benefit of reviewing that report and hearing some of  
12 Mr. Whitla's evidence, certain events came back to your  
13 memory?

14 32928 MR. SCHREIBER: Yes.

15 32929 MR. AUGER: And that indeed there may  
16 have even been events that prior to having the benefit  
17 of the Navigant report were not clear in your mind.  
18 32930 Is that a fair general suggestion?

19 32931 MR. SCHREIBER: Yes, sir.

20 32932 MR. AUGER: Could I ask you to turn  
21 to page 47, please, of the Navigant report, Exhibit  
22 P-40. I believe it is the cerlox bound volume in front  
23 of you.

24 32933 MR. SCHREIBER: Which one?

25 32934 MR. AUGER: Page 47, please.

1 32935 MR. SCHREIBER: Yes.

2 32936 MR. AUGER: Okay. And at the top  
3 half of the page there is a chart.

4 32937 MR. SCHREIBER: Yes.

5 32938 MR. AUGER: And just so you  
6 understand, the subject matter as I understand this  
7 chart relates to Thyssen funds for the period 1987 to  
8 1988.

9 32939 Do you see that?

10 32940 MR. SCHREIBER: Yes.

11 32941 MR. AUGER: Have you had a chance to  
12 review this chart?

13 32942 MR. SCHREIBER: Yes.

14 32943 MR. AUGER: I want to focus your  
15 attention on the bottom left-hand corner. You will see  
16 that there is a reference to cash.

17 32944 MR. SCHREIBER: Yes.

18 32945 MR. AUGER: And above the box it says  
19 503K.

20 32946 Do you see that?

21 32947 MR. SCHREIBER: Yes.

22 32948 MR. AUGER: And it looks like the  
23 date is December 5, '88.

24 32949 MR. SCHREIBER: Yes, sir.

25 32950 MR. AUGER: To the right of that

1           there is 500K, October 31, '88.

2   32951                    Do you see that?

3   32952                    MR. SCHREIBER:   Yes.

4   32953                    MR. AUGER:   And that is illustrating

5           500,000 into Frankfurt.

6   32954                    MR. SCHREIBER:   Yes, sir.

7   32955                    MR. AUGER:   And those would be

8           Thyssen funds; correct?

9   32956                    MR. SCHREIBER:   Yes, sir.

10  32957                    MR. AUGER:   Moving back to the left

11           side, the 503K cash, are you able to tell the

12           Commissioner anything about that?

13  32958                    MR. SCHREIBER:   Yes.   That was the

14           missing part in my memory.   You see, when you have

15           nobody involved whom you can call and ask, it is pretty

16           difficult for me.

17  32959                    MR. AUGER:   Well, let me stop you

18           there.   What do you mean by that, sir?

19  32960                    MR. SCHREIBER:   Well, it dealt with

20           the shareholders from GCI.   Because Frankfurt here

21           received only \$500,000, but Thyssen paid \$4 million, so

22           25 per cent out of \$4 million would have been

23           \$1 million.   And I couldn't get it where that money --

24           where that money went and what happened.

25  32961                    And when I saw the chart and I saw



1 the date, when you look at the last line, you see when  
2 you add the two together it is \$1 million and three.

3 32962 And that was when it came back to my  
4 memory that on the request from Frank Moores this cash  
5 in Swiss francs was obtained from me from Gary Ouellet  
6 in Swiss francs.

7 32963 MR. AUGER: Just a second, let's go  
8 slow through this. You use the words "from Gary  
9 Ouellet".

10 32964 MR. SCHREIBER: What?

11 32965 MR. AUGER: You used the words "from  
12 Gary Ouellet". Are you telling the Commissioner that  
13 you got 500,000 from Gary Ouellet?

14 32966 MR. SCHREIBER: Gary Ouellet got it  
15 for me.

16 32967 MR. AUGER: Thank you.

17 32968 MR. SCHREIBER: So that closed the  
18 gap that I had with this \$1 million out of \$4 million;  
19 25 per cent to GCI.

20 32969 So \$500,000 went to Frankfurt and  
21 \$500,000 --

22 32970 MR. AUGER: Let me stop you there.  
23 Let's go slow through this.

24 32971 \$500,000, you are referring to the  
25 blue box on page 47?

1 32972 MR. SCHREIBER: Yes.

2 32973 MR. AUGER: Continue, please.

3 32974 MR. SCHREIBER: And \$500,000 you see,  
4 it's more -- it's less or more -- yes, it's less in  
5 Canadian dollars than it was in Swiss francs.

6 32975 MR. AUGER: Well, let's use what the  
7 diagram says. It says 503K.

8 32976 Do you see that?

9 32977 MR. SCHREIBER: 503K, yes.

10 32978 MR. AUGER: And it says "CASH".

11 32979 MR. SCHREIBER: Yes.

12 32980 MR. AUGER: "SFr. 610,642".

13 32981 MR. SCHREIBER: Yes.

14 32982 MR. AUGER: Is that what you are  
15 referring to?

16 32983 MR. SCHREIBER: Yes.

17 32984 MR. AUGER: And can you tell the  
18 Commissioner what that cash relates to?

19 32985 MR. SCHREIBER: This cash relates to  
20 the funds from Thyssen which were paid to GCI out of a  
21 total from \$1 million.

22 32986 MR. AUGER: Did you withdraw the  
23 cash?

24 32987 MR. SCHREIBER: Yes.

25 32988 MR. AUGER: Did you deliver the cash?

1 32989 MR. SCHREIBER: Yes.

2 32990 MR. AUGER: To whom?

3 32991 MR. SCHREIBER: To Gary Ouellet.

4 32992 MR. AUGER: Why?

5 32993 MR. SCHREIBER: Because Frank Moores  
6 asked me to hand it over to Gary Ouellet when he is in  
7 Europe.

8 32994 MR. AUGER: What was your  
9 understanding of the purpose of that?

10 32995 MR. SCHREIBER: No idea.

11 32996 MR. AUGER: Can I ask you to please  
12 turn to Binder 1 of 2, Appendix 3 to the Navigant  
13 report, Tab 10.

14 32997 MR. SCHREIBER: Binder 1 of 2 and  
15 what page?

16 32998 MR. AUGER: Tab 10.

17 32999 MR. SCHREIBER: Ten.

18 33000 COMMISSIONER OLIPHANT: These are the  
19 Navigant documents you are looking at, Mr. Auger?

20 33001 MR. AUGER: Correct, Commissioner.  
21 The documents supporting Navigant, "Appendix 3 to  
22 Navigant Consulting Report, Binder 1 of 2", Tab 10.

23 33002 Do you have that, Mr. Schreiber, Tab  
24 10? It is simply the invoice --

25 33003 MR. SCHREIBER: Yes.

1 33004 MR. AUGER: -- November 2, 1988 and  
2 below is the cheque.

3 33005 MR. SCHREIBER: Yes.

4 33006 MR. AUGER: A \$90,000 cheque.

5 33007 MR. SCHREIBER: Yes.

6 33008 MR. AUGER: "Pay to the order of  
7 FDCI/Fred Doucet Consulting International".

8 33009 MR. SCHREIBER: Yes.

9 33010 MR. AUGER: You are familiar with  
10 that cheque?

11 33011 MR. SCHREIBER: Yes.

12 33012 MR. AUGER: You have already given  
13 evidence about the invoice above. Did Mr. Doucet ever  
14 complain to you that his invoice of November 2, 1988  
15 wasn't paid?

16 33013 MR. SCHREIBER: Never.

17 33014 MR. AUGER: Did he ever say --

18 33015 MR. SCHREIBER: He was happy that he  
19 got it.

20 33016 MR. AUGER: I'm sorry...?

21 33017 MR. SCHREIBER: He was happy that he  
22 got it.

23 33018 MR. AUGER: He was happy that he got  
24 paid that invoice.

25 33019 MR. SCHREIBER: Sure.

- 1 33020 MR. AUGER: Was he happy to continue  
2 business with you thereafter?
- 3 33021 MR. SCHREIBER: Sure. But didn't he  
4 tell us that he took it as a retainer for the next  
5 three months?
- 6 33022 I think he confirmed that he received  
7 it. Am I wrong on that?
- 8 33023 MR. AUGER: You have no concerns that  
9 at any point in your dealings with Mr. Doucet was he  
10 unpaid by money owed by you?
- 11 33024 MR. SCHREIBER: Again...?
- 12 33025 MR. AUGER: Did you have any concerns  
13 voiced to you by Mr. Doucet that you owed him money?
- 14 33026 MR. SCHREIBER: No.
- 15 33027 MR. AUGER: There were some questions  
16 asked before the Commissioner about Rockcliffe  
17 Enterprises.
- 18 33028 Is Rockcliffe Enterprises in any way  
19 relevant to Bear Head?
- 20 33029 MR. SCHREIBER: Not at all. It is a  
21 private entity.
- 22 33030 MR. AUGER: If I can ask you to go  
23 back, please, to the Navigant Consulting Report, the  
24 smaller binder.
- 25 33031 MR. SCHREIBER: Yes.

1 33032 MR. AUGER: Page 11.

2 33033 MR. SCHREIBER: Yes.

3 33034 MR. AUGER: You will see the first  
4 bullet where Navigant reports that:  
5 "The first cash withdrawal was  
6 one month before the first  
7 alleged payment".

8 33035 Do you see that?

9 33036 MR. SCHREIBER: Yes.

10 33037 MR. AUGER: Are you able to tell the  
11 Commissioner anything about why that was the case?

12 33038 MR. SCHREIBER: You mean the time?

13 33039 MR. AUGER: Right. Why would you  
14 withdraw cash a month before you deliver it to  
15 Mr. Mulroney?

16 33040 MR. SCHREIBER: Well, this depends  
17 very much when I was in Zürich because the bank was in  
18 Zürich and I was in Munich. So I cannot go every day  
19 there and pick up some money. So when I was there I  
20 took it, took it home and put it in my safety deposit  
21 box and the next time I flew to Canada I took it.

22 33041 MR. AUGER: The next bullet says:  
23 "The second cash withdrawal was  
24 44 or 45 days prior to the  
25 second alleged payment to Mr.

1 Mulroney; ..."

2 33042 Any explanation about that 44 or 45  
3 day gap between --

4 33043 MR. SCHREIBER: Same answer.

5 33044 MR. AUGER: And I take it the same  
6 answer for the last point in terms of any gaps between  
7 the date of the withdrawal and the payment?

8 33045 MR. SCHREIBER: Yes.

9 33046 MR. AUGER: You heard Mr. Whitla  
10 testified yesterday that he reviewed hundreds of pages  
11 of your diaries.

12 33047 Do you remember that evidence?

13 33048 MR. SCHREIBER: Yes.

14 33049 MR. AUGER: And you heard him confirm  
15 to the Commissioner that you didn't redact one line or  
16 blank out one line.

17 33050 Did you hear that evidence?

18 33051 MR. SCHREIBER: That is correct, sir.

19 33052 MR. AUGER: Can you tell the  
20 Commissioner why that was the case?

21 33053 MR. SCHREIBER: Why I haven't blanked  
22 out anything?

23 33054 MR. AUGER: Right.

24 33055 MR. SCHREIBER: I didn't want to  
25 raise any suspicion at all. I wanted to be absolutely

1 open to the Commission.

2 33056 MR. AUGER: And Mr. Whitla also  
3 confirmed the same in terms of your bank account  
4 records, that there were no redactions or deletions by  
5 you.

6 33057 Do you remember that evidence?

7 33058 MR. SCHREIBER: That's correct.

8 33059 MR. AUGER: And can you tell the  
9 Commissioner why that is the case?

10 33060 MR. SCHREIBER: Same thing. I wanted  
11 to support the work of the Commission. Why would I  
12 blank anything out?

13 33061 MR. AUGER: Thank you, Commissioner.  
14 Those are my questions.

15 33062 COMMISSIONER OLIPHANT: Thank you,  
16 Mr. Auger.

17 33063 Do you have any further questions to  
18 ask at this time?

19 33064 MR. WOLSON: No, I will reserve that  
20 right.

21 33065 COMMISSIONER OLIPHANT: I have a  
22 question I want to ask you, Mr. Schreiber.

23 33066 Talk about miracles. The  
24 Understanding in Principle was signed and it generated  
25 the payment of an amount in excess of \$600,000;



1 correct?

2 33067 MR. SCHREIBER: Yes.

3 33068 COMMISSIONER OLIPHANT: Were you  
4 aware that the Understanding in Principle was a  
5 meaningless document in terms of any obligation on the  
6 part of the Government of Canada?

7 33069 MR. SCHREIBER: Yes and no.

8 33070 COMMISSIONER OLIPHANT: Yes and no?

9 33071 MR. SCHREIBER: Yes.

10 33072 COMMISSIONER OLIPHANT: Okay. Let's  
11 do yes first and no second.

12 33073 MR. SCHREIBER: Well, number one was  
13 that I learned from Mr. Mulroney I shouldn't care too  
14 much about this, and I had his word the project was  
15 going to happen. So why would I care what the  
16 bureaucrats did?

17 33074 COMMISSIONER OLIPHANT: Well, okay.  
18 What is the no?

19 33075 MR. SCHREIBER: I waited for this  
20 question yesterday already, sir.

21 33076 COMMISSIONER OLIPHANT: Well, now you  
22 are satisfied because it has been asked.

23 33077 MR. SCHREIBER: Yes, I'm absolutely  
24 satisfied. Okay.

25 33078 COMMISSIONER OLIPHANT: You see, what

1 I want to know is how you could ever talk Thyssen into  
2 paying \$600,000-plus on a totally meaningless document.

3 33079 MR. SCHREIBER: They believed the  
4 same thing, because we were all the time together. We  
5 heard it from Frank Moores, we heard it from Gary, all  
6 the close friends of Mr. Mulroney.

7 33080 COMMISSIONER OLIPHANT: So the  
8 document really was meaningless, but there were  
9 assurances that you had Mr. Mulroney's support and that  
10 was good enough?

11 33081 MR. SCHREIBER: Yes, but besides  
12 this, was where when the project is going to come, and  
13 you may recall that in '95 it was really then this big  
14 order, \$2.6 billion, which was then again sole sourced  
15 to General Motors as an effect from the first sole  
16 sourced order.

17 33082 COMMISSIONER OLIPHANT: Yes.

18 33083 MR. SCHREIBER: So we had all the  
19 belief this is coming. And on top of this,  
20 Commissioner, five Generals from the Canadian Forces,  
21 including two commanders, designed the Th 495 quietly  
22 with us and Thyssen, and we knew exactly what the Army  
23 wanted and we knew exactly what the Generals picked,  
24 et cetera.

25 33084 COMMISSIONER OLIPHANT: Now, let me

1 ask you this: What did Thyssen get for the  
2 \$600,000-plus they paid?

3 33085 MR. SCHREIBER: Please...?

4 33086 COMMISSIONER OLIPHANT: What did  
5 Thyssen get from the \$600,000 they paid? Not a thing.

6 33087 MR. SCHREIBER: From the \$600,000 --

7 33088 COMMISSIONER OLIPHANT: Yes, the  
8 commissions that they paid to you.

9 33089 MR. WOLSON: Mr. Commissioner --

10 33090 MR. SCHREIBER: \$2 million -- \$4  
11 million.

12 33091 MR. WOLSON: -- it's \$4 million, not  
13 \$600,000. \$4 million plus two point --

14 33092 COMMISSIONER OLIPHANT: Yes, there is  
15 \$600,000. There is \$6 million, isn't it.

16 33093 MR. WOLSON: There is \$6.5 million.

17 33094 COMMISSIONER OLIPHANT: \$6.5 million  
18 got paid --

19 33095 MR. SCHREIBER: Yes.

20 33096 COMMISSIONER OLIPHANT: -- as a  
21 result of the signing of the UIP.

22 33097 MR. SCHREIBER: Yes.

23 33098 COMMISSIONER OLIPHANT: Right?  
24 33099 What did Thyssen get for that?

25 33100 MR. SCHREIBER: Well, first of all,

1           sir, there is a misunderstanding on the success fee,  
2           because GCI, the company had worked since 1985  
3           constantly on the file, with a lot of work. It never  
4           rendered an invoice to Thyssen.

5   33101                    The point was from the beginning  
6           Thyssen and I, we wanted to avoid to pay a huge  
7           retainer not knowing what is going to happen, but we  
8           said look, if you really feel this is all real, we go  
9           with you and you get paid on a success.

10  33102                    Number one is when we receive an  
11           agreement which is like we wanted with the Government  
12           of Nova Scotia, the first \$2 million.

13  33103                    The second, when we get an okay that  
14           we get a start-up order from the government.

15  33104                    And you see, Commissioner, here is  
16           another problem. At the beginning Thyssen was not even  
17           interested in getting big money or grants. Canada is  
18           packed with industrial tombstones from coast to coast  
19           based on wonderful business plans and paid with grants.  
20           Thyssen said we don't care.

21  33105                    When we have a deal with the  
22           government in Nova Scotia, would get the tax benefits  
23           like everybody what it is. We build the plant when we  
24           have a start-up order.

25  33106                    At the same time -- this is the next

1           what you may want to hear -- we went to the government  
2           and said look, this is what we can get from the  
3           Americans under the US-Canadian Defence Production  
4           Sharing Agreement.

5   33107                   And I had the personal okay from the  
6           Undersecretary of the Army in the United States in the  
7           Pentagon, Mr. Ambrose. I was with him a couple of  
8           times, and he agreed to all this, that the Americans  
9           thought, yes, Canada needs not only to sell spare parts  
10          and parts, Canada needs a system to sell that they get  
11          the business from the spare parts, that they get the  
12          business from the upgrading.

13   33108                   So I was so confident that this all  
14          would happen.

15   33109                   COMMISSIONER OLIPHANT: And you were  
16          able to convince Thyssen of that --

17   33110                   MR. SCHREIBER: Yes, but --

18   33111                   COMMISSIONER OLIPHANT: -- that it  
19          was all going to happen.

20   33112                   MR. SCHREIBER: -- not only that --

21   33113                   COMMISSIONER OLIPHANT: And I said  
22          \$600,000. I want to tell you right now that \$100,000  
23          to me isn't chump change. That excites me. But I did  
24          make a mistake. It is \$6 million-plus.

25   33114                   MR. SCHREIBER: Yes, it's \$6 million.

1 33115 COMMISSIONER OLIPHANT: So it is just  
2 a coincidence that the \$6.5 million got paid on the  
3 signing of the UIP, or other things had fallen into  
4 place?

5 33116 MR. SCHREIBER: Sir, the two  
6 agreements as a success fee instead of paying a monthly  
7 retainer for all the work they did for many years.

8 33117 COMMISSIONER OLIPHANT: I got you.

9 33118 MR. SCHREIBER: There is no invoice  
10 from Thyssen -- from GCI ever to Thyssen, with one  
11 exception when they rented a plane to fly to General  
12 Motors.

13 33119 COMMISSIONER OLIPHANT: All right.

14 33120 MR. SCHREIBER: So make it clearly  
15 understood, GCI did a lot of work on the project in  
16 Nova Scotia, in Canada, here in Ottawa, wherever it was  
17 necessary, and never charged one nickel.

18 33121 COMMISSIONER OLIPHANT: Yes.

19 33122 MR. SCHREIBER: So they said we will  
20 pay you a success fee when these two things happen.

21 33123 COMMISSIONER OLIPHANT: I see.

22 33124 MR. SCHREIBER: And since the Thyssen  
23 people were here as well, quite often, the board  
24 members, and they spoke to Mr. -- to Sinclair Stevens  
25 and to all the other guys.

1 33125 Here is the next point. When we said  
2 look, business plan and whatever you want. As long as  
3 we don't get an okay from you for a start-up order,  
4 what are we going to put in the business plan.

5 33126 Number two, this is not enough.  
6 Canada participated up to that time in 43 peacekeeping  
7 missions. They were the top peacekeeping nation in the  
8 world, highly respected. We said okay, we can go over  
9 there. Now tell us, when this is not enough, which  
10 other countries you would allow exports.

11 33127 So the request from the Canadian  
12 government was -- and I think you have it all in your  
13 files because I handed these files, these three big  
14 books to you -- shows that they investigated and we  
15 said look, the Saudis are the ones which are highly  
16 interested to get things done, and it finally happened  
17 all over the place.

18 33128 And we got the list from the federal  
19 government what the export countries are where we  
20 should participate.

21 33129 So when you heard here that, for  
22 example, Gen. Gordon Reay was against it, what  
23 Mr. Tellier said, you just have to look at the files  
24 what the letters are from Mr. Gordon Reay to me. He  
25 became a personal friend.

1 33130                   They were so scared about the  
2       security of your soldiers, sir, you wouldn't believe  
3       when you look in these files.

4 33131                   COMMISSIONER OLIPHANT: All right.  
5       Thank you.

6 33132                   MR. WOLSON: The issue of files that  
7       we have received, just so that everyone understands, if  
8       we have received something we have disclosed it. So  
9       there should be no misunderstandings.

10 33133                  In terms of your questions of  
11       Mr. Schreiber, I will also reserve my right to respond  
12       to them to a later time because I may have a question  
13       or two.

14 33134                   COMMISSIONER OLIPHANT: All right.  
15 33135                   That is the extent of today's  
16       proceeding then?

17 33136                   MR. WOLSON: Unless any other party  
18       has a question of Mr. Schreiber arising out of your  
19       comments and questions.

20 33137                   COMMISSIONER OLIPHANT: Certainly.

21 33138                   MR. WOLSON: I don't plan, as I said,  
22       to ask anything further today, but I will reserve my  
23       right to do so.

24 33139                   COMMISSIONER OLIPHANT: Fine.  
25 33140                   Mr. Auger...?



1 33141 MR. AUGER: In light of Mr. Wolson's  
2 comments, I know the answer to this, but in light of  
3 some discussions that occurred this morning may I  
4 respectfully request that you confirm that  
5 Mr. Schreiber's testimony is not complete and he  
6 remains under subpoena?

7 33142 COMMISSIONER OLIPHANT: Yes, of  
8 course he remains under subpoena. There may be a need  
9 for further questioning at a later date and I would  
10 express now the hope, indeed the expectation, that he  
11 will be here in accordance with the subpoena.

12 33143 MR. AUGER: Thank you very much.

13 33144 COMMISSIONER OLIPHANT: Okay.

14 33145 Mr. Pratte, did you want to ask any  
15 questions as a result of the answer that Mr. Schreiber  
16 just gave?

17 33146 MR. PRATTE: Well, I might, sir, but  
18 there is something I would need to check before.

19 33147 I wonder whether or not, since  
20 Mr. Wolson is reserving his right, whether I might, if  
21 I have a question, just go before him, strictly arising  
22 from this exchange now --

23 33148 COMMISSIONER OLIPHANT: Yes, of  
24 course.

25 33149 MR. PRATTE: -- whenever he is

1           recalled, if that is acceptable to you, sir.

2   33150                   COMMISSIONER OLIPHANT: That's fine.

3   33151                   MR. PRATTE: All right.

4   33152                   COMMISSIONER OLIPHANT: Mr. Vickery,

5           any questions that you have?

6   33153                   MR. VICKERY: I would ask to reserve

7           the same right.

8   33154                   COMMISSIONER OLIPHANT: Okay.

9   33155                   Mr. Houston...?

10  33156                   MR. HOUSTON: No, I'm fine. Thank

11           you, sir.

12  33157                   COMMISSIONER OLIPHANT: All right.

13  33158                   MR. WOLSON: It looks like I've

14           started a bad trend, but --

15  33159                   COMMISSIONER OLIPHANT: No, I don't

16           think it is a bad trend at all.

17  33160                   MR. WOLSON: Yes. But with that in

18           mind, we have no other witnesses for today.

19  33161                   Intentionally we expected at the

20           hearing at least we would be fairly brief. There is a

21           lot of other work to be done.

22  33162                   We are not sitting -- I keep losing

23           track of the days, but we are not sitting tomorrow and

24           we are not sitting on Monday. We will return on

25           Tuesday with Mr. Mulroney.

1 33163 COMMISSIONER OLIPHANT: All right,  
2 9:30, then, Tuesday morning.

3 33164 Thank you, counsel. Good afternoon.  
4 Have a nice weekend.

5 --- Whereupon the hearing adjourned at 12:57 p.m.,  
6 to resume on Tuesday, May 12, 2009 at 9:30 a.m. /  
7 L'audience est ajournée à 12 h 57, pour reprendre  
8 le mardi 12 mai 2009 à 9 h 30

9

10 We hereby certify that we have accurately  
11 transcribed the foregoing to the best of  
12 our skills and abilities.

13

14 Nous certifions que ce qui précède est une  
15 transcription exacte et précise au meilleur  
16 de nos connaissances et de nos compétences.

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Lynda Johansson

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