

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 14, 2009

Tenue à :

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

le jeudi 14 mai 2009

APPEARANCES / COMPARUTIONS

Mr. Guy Pratte Mr. Harvey Yarosky, Q.C. Me François Grondin Mr. A. Sameul Wakim, Q.C. Mr. Jack Hughes Ms Kate Glover	The Right Honourable Brian Mulroney
Mr. Richard Auger	Mr. Karlheinz Schreiber
Mr. Paul B. Vickery Mr. Yannick Landry Me Philippe Lacasse Ms Amy Joslin-Besner	Attorney General of Canada
Mr. Robert E. Houston, Q.C.	Mr. Fred Doucet
Mr. Richard Wolson Mr. Evan Roitenberg Ms Nancy Brooks Mr. Guiseppe Battista Ms Myriam Corbeil Mr. Peter Edgett Ms Sarah Wolson Mr. Martin Lapner	Counsel for the Commission
Ms Marie Chalifoux	Registrar
Ms Anne Chalmers Ms Mary O'Farrell	Commission Staff

TABLE OF CONTENTS / TABLE DES MATIÈRES

	PAGE
Hearing commences at 10:35 a.m. / L'audience débute à 10 h 35	3785
Previously sworn: The Right Hon. Brian Mulroney / Sous le même serment : Le Très Hon. Brian Mulroney	3785
Examination by Mr. Wolson / Interrogatoire par Me Wolson	3788
Recess taken at 12:17 p.m. / Suspension à 12 h 17 Hearing resumes at 2:05 p.m. / Reprise à 14 h 05	3881
Recess taken at 3:15 p.m. / Suspension à 15 h 15 Hearing resumes at 3:35 p.m. / Reprise à 15 h 35	3948
Hearing adjourns at 4:31 p.m. / L'audience est ajournée à 16 h 31	4003

EXHIBITS / PIÈCES JUSTIFICATIVES

No.	Description	PAGE
P-50	Document entitled "Right Hon. Brian Mulroney's Testimony, Compendium of Contacts"	3787

1 Ottawa, Ontario / Ottawa (Ontario)

2 --- Upon resuming on Thursday, May 14, 2009

3 at 10:35 a.m. / L'audience reprend le jeudi

4 14 mai 2009 à 10 h 35

5 36181 COMMISSIONER OLIPHANT: Good morning,
6 counsel. Be seated, please.

7 PREVIOUSLY SWORN: THE RIGHT HON. BRIAN MULRONEY /

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

9 36182 COMMISSIONER OLIPHANT: Mr.
10 Wolson...?

11 36183 MR. WOLSON: First of all, an update
12 on Mr. Schreiber. He is still in the hospital. I
13 haven't talked to him of course, but his counsel
14 advises that he is in a recovery mode, not eating food
15 or anything yet, and that Mr. Auger hasn't had the
16 opportunity in these circumstances to sit down and get
17 instructions from his client.

18 36184 So we will keep you apprised,
19 Mr. Commissioner, I suppose later today or tomorrow
20 morning, and we will know where we are at in that
21 regard sometime tomorrow, I presume.

22 36185 COMMISSIONER OLIPHANT: All right.
23 Thank you.

24 36186 MR. WOLSON: Now, the first thing of
25 business then, my colleagues have prepared a book -- my

1 colleagues in terms of Commission counsel, have
2 prepared a book entitled "Documents in support of the
3 Rt. Honourable Brian Mulroney's Testimony, A Compendium
4 of Contacts".

5 36187 It is a rather thin binder, but what
6 it does is it puts all of the cross references under
7 one tab so, unlike other witnesses, we don't have to go
8 back and forth and back and forth. I found that too
9 tedious and difficult.

10 36188 So if we could then file -- I think
11 it is P-50, is it, Madam Registrar?

12 36189 COMMISSIONER OLIPHANT: Yes.

13 36190 MR. WOLSON: Yes. That could go in
14 and I see that Mr. Mulroney has been provided with a
15 copy of it. We don't need it quite yet, but I wanted
16 to have that filed.

17 36191 COMMISSIONER OLIPHANT: Thank you.

18 36192 I take it that that will go in by
19 consent.

20 36193 Mr. Pratte...?

21 36194 MR. PRATTE: Indeed.

22 36195 COMMISSIONER OLIPHANT: Thank you,
23 sir.

24 36196 Mr. Vickery...?

25 36197 MR. VICKERY: Yes, thank you.

1 36198 COMMISSIONER OLIPHANT: Mr.
2 Houston...?
3 36199 MR. HOUSTON: Yes, sir. Thank you.
4 36200 COMMISSIONER OLIPHANT: Thank you.
5 36201 Mr. Auger...?
6 36202 MR. AUGER: Yes.
7 36203 COMMISSIONER OLIPHANT: All right.
8 Thank you.
9 36204 MR. WOLSON: I should tell you there
10 is nothing new in there.
11 36205 COMMISSIONER OLIPHANT: No.
12 36206 MR. WOLSON: These documents are all
13 found in other places. It just takes the need to refer
14 to three different binders when we can have one binder,
15 one tab.
16 36207 With that said, subject to --
17 36208 COMMISSIONER OLIPHANT: That document
18 will be received and marked as Exhibit P-50, then, the
19 compendium. Thank you.
20 EXHIBIT NO. P-50: Document
21 entitled "Right Hon. Brian
22 Mulroney's Testimony, Compendium
23 of Contacts"
24 36209 MR. WOLSON: With that said, I am
25 prepared to commence my examination of Mr. Mulroney.

1 36210 COMMISSIONER OLIPHANT: Please
2 proceed.
3 EXAMINATION: THE RIGHT HON. BRIAN MULRONEY
4 BY MR. WOLSON / INTERROGATOIRE: LE TRÈS HON. BRIAN
5 MULRONEY PAR Me WOLSON
6 36211 MR. WOLSON: Sir, good morning.
7 36212 THE RIGHT HON. BRIAN MULRONEY: Good
8 morning, sir.
9 36213 MR. WOLSON: I am going to start in
10 the same way that I started with Mr. Schreiber. I did
11 review Mr. Schreiber's background with him, but of
12 course you have done that with your own counsel.
13 36214 So I just want to make a brief
14 comment or two in terms of your background and
15 knowledge of these types of proceedings.
16 36215 You were yourself part of a
17 Commission of Inquiry.
18 36216 THE RIGHT HON. BRIAN MULRONEY: Yes.
19 36217 MR. WOLSON: You were one of the
20 Commissioners.
21 36218 THE RIGHT HON. BRIAN MULRONEY: Yes.
22 36219 MR. WOLSON: The Cliche Commission.
23 36220 THE RIGHT HON. BRIAN MULRONEY: Yes.
24 36221 MR. WOLSON: And you and your two
25 fellow commissioners retained as lead counsel a

1 gentleman by the name of Jean Dutil.

2 36222 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 36223 MR. WOLSON: You affectionately

4 describe him in your memoirs as a bulldog.

5 36224 THE RIGHT HON. BRIAN MULRONEY: Yes.

6 36225 MR. WOLSON: Fearless in his attack.

7 36226 THE RIGHT HON. BRIAN MULRONEY: Yes.

8 36227 MR. WOLSON: You wanted a lawyer who

9 could get to the bottom of things.

10 36228 THE RIGHT HON. BRIAN MULRONEY:

11 That's right.

12 36229 MR. WOLSON: Well, I'm not a bulldog,

13 but I do have some questions, some difficult questions

14 to ask you. I think you know that.

15 36230 THE RIGHT HON. BRIAN MULRONEY: I do.

16 36231 MR. WOLSON: I want to go right to

17 the heart of some matters that Mr. Pratte raised with

18 you yesterday, and I don't raise them with you to cause

19 you discomfort. They are necessary so I am going to do

20 it. And that is the Letter of Request.

21 36232 Your counsel reviewed it with you

22 extensively yesterday. You recall that?

23 36233 THE RIGHT HON. BRIAN MULRONEY: Yes,

24 I do.

25 36234 MR. WOLSON: This is a letter that

1 was sent from Canada to Switzerland and then
2 subsequently publicized, leaked to the media in the
3 fall of 1995. I think November of '95 it was leaked.
4 It was sent at the end of September of '95.

5 36235 Is that so?

6 36236 THE RIGHT HON. BRIAN MULRONEY:

7 That's right.

8 36237 MR. WOLSON: And that Letter of
9 Request, when you became aware of it, shook your world.

10 36238 THE RIGHT HON. BRIAN MULRONEY: Yes.

11 36239 MR. WOLSON: The letter alleged
12 criminal conduct on your part.

13 36240 THE RIGHT HON. BRIAN MULRONEY: Yes.

14 36241 MR. WOLSON: It alleged a commercial
15 criminal conspiracy between you, the late Frank Moores
16 and Karlheinz Schreiber.

17 36242 THE RIGHT HON. BRIAN MULRONEY: Yes.

18 36243 MR. WOLSON: They called you a
19 criminal, you have said on many occasions.

20 36244 THE RIGHT HON. BRIAN MULRONEY: Yes.

21 36245 MR. WOLSON: You have strongly denied
22 that allegation.

23 36246 THE RIGHT HON. BRIAN MULRONEY: Yes.

24 36247 MR. WOLSON: You have said, I think
25 you said it yesterday, that you were falsely accused

1 and it caused you irreparable harm to your family.

2 36248 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 36249 MR. WOLSON: You sued the Government
4 of Canada for some \$50 million.

5 36250 THE RIGHT HON. BRIAN MULRONEY: Yes.

6 36251 MR. WOLSON: That lawsuit was
7 settled, as you have said, on the steps of the
8 courthouse.

9 36252 THE RIGHT HON. BRIAN MULRONEY: Yes.

10 36253 MR. WOLSON: One could conjure up in
11 a criminal commercial relationship -- and I'm not
12 suggesting that what you had with Schreiber was. But
13 one could conjure up a scenario of men meeting in back
14 rooms or hotel rooms and money passing hands. One
15 could conjure that image up.

16 36254 You would agree with that?

17 36255 THE RIGHT HON. BRIAN MULRONEY: I
18 suppose so.

19 36256 MR. WOLSON: I think you, in one of
20 your -- perhaps it was in your memoirs when you were
21 talking about the Liberal patronage appointments, I
22 think you described them as out of an Edward G.
23 Robinson movie: the boys in the back room carving up
24 the cash.

25 36257 THE RIGHT HON. BRIAN MULRONEY:

1 That's right.

2 36258 MR. WOLSON: Yes.

3 36259 But what you had was not a criminal
4 relationship with Karlheinz Schreiber but a legitimate
5 one, you say.

6 36260 THE RIGHT HON. BRIAN MULRONEY:

7 That's right.

8 36261 MR. WOLSON: The very man who the
9 government alleged was part of this criminal conspiracy
10 with you; true? Karlheinz Schreiber.

11 36262 THE RIGHT HON. BRIAN MULRONEY: Yes,
12 the allegation two years later.

13 36263 MR. WOLSON: Yes. And in this
14 non-criminal legal commercial relationship that you
15 discussed over the last two days, you would meet in
16 hotel rooms at least on two occasions; true?

17 36264 THE RIGHT HON. BRIAN MULRONEY: Yes,
18 at his request. He was travelling through wherever.

19 36265 MR. WOLSON: But nonetheless it was
20 in a hotel room.

21 36266 THE RIGHT HON. BRIAN MULRONEY: At
22 his request and at his convenience, yes.

23 36267 MR. WOLSON: Yes. And at those
24 occasions large amounts of cash were conveyed to you by
25 Mr. Schreiber in envelopes.

1 36268 THE RIGHT HON. BRIAN MULRONEY:

2 That's right.

3 36269 MR. WOLSON: In thousand dollar
4 bills.

5 36270 THE RIGHT HON. BRIAN MULRONEY: Yes,
6 sir.

7 36271 MR. WOLSON: Given the allegations in
8 the Letter of Request, criminal allegations, if this
9 legal commercial relationship were to become known back
10 around the time of the discovery, for instance, it
11 would have compounded the poisoned atmosphere that you
12 found yourself in?

13 36272 THE RIGHT HON. BRIAN MULRONEY: Well,
14 it is always difficult to respond to any hypothesis.
15 But the Letter of Request came two years after, 2-1/2
16 years perhaps, after my arrangement with Mr. Schreiber,
17 so I had no way of being able to anticipate anything.

18 36273 MR. WOLSON: No, but if you had
19 disclosed at the discovery that you had a business
20 relationship with Mr. Schreiber and you were asked
21 about how you were paid and you told the questioner
22 that you were paid in two hotel rooms and a coffee bar
23 with envelopes of thousand dollar bills, it would have
24 absolutely fuelled the already raging fire of suspicion
25 that was out there.

1 36274 You wouldn't doubt that, would you?

2 36275 THE RIGHT HON. BRIAN MULRONEY: I

3 don't doubt it.

4 36276 MR. WOLSON: Yes.

5 36277 THE RIGHT HON. BRIAN MULRONEY: But

6 as you say, that was a hypothetical in the sense that

7 that question was never asked.

8 36278 MR. WOLSON: Well, we are going to

9 get to that in a short time. But nonetheless, at the

10 time of the discovery the legal commercial relationship

11 had existed?

12 36279 THE RIGHT HON. BRIAN MULRONEY: Yes,

13 sir.

14 36280 MR. WOLSON: At the time of the

15 discovery you had in your safe in Montréal \$150,000 in

16 cash that Mr. Schreiber had given you.

17 36281 THE RIGHT HON. BRIAN MULRONEY: Yes.

18 36282 MR. WOLSON: At the time of the

19 discovery you had in your safety deposit box in New

20 York City \$75,000 that Mr. Schreiber had given to you.

21 36283 THE RIGHT HON. BRIAN MULRONEY: Yes.

22 36284 MR. WOLSON: In large bills.

23 36285 THE RIGHT HON. BRIAN MULRONEY: M'hm.

24 36286 MR. WOLSON: Your answer is yes?

25 36287 THE RIGHT HON. BRIAN MULRONEY: Yes.

- 1 36288 MR. WOLSON: As part of the lawsuit
2 that you commenced, you understood the process of an
3 examination before plea.
- 4 36289 THE RIGHT HON. BRIAN MULRONEY: Yes.
- 5 36290 MR. WOLSON: And on the 17th and 19th
6 of April, 1996 you were examined before plea at the
7 Palais de Justice in Montréal?
- 8 36291 THE RIGHT HON. BRIAN MULRONEY: Yes.
- 9 36292 MR. WOLSON: And of course at that
10 time there was, just to be clear, a scandalous criminal
11 allegation against you from the Letter of Request?
- 12 36293 THE RIGHT HON. BRIAN MULRONEY: It
13 was the object of the examination on discovery, yes.
- 14 36294 MR. WOLSON: Yes. And there was, at
15 that time, a legitimate legal commercial relationship
16 at that time as well?
- 17 36295 THE RIGHT HON. BRIAN MULRONEY: Yes,
18 sir.
- 19 36296 MR. WOLSON: And that latter
20 commercial relationship commenced, in your evidence, on
21 the 27th of August, 1993 at the Mirabel Hotel.
- 22 36297 THE RIGHT HON. BRIAN MULRONEY: Yes.
- 23 36298 MR. WOLSON: Mr. Schreiber has
24 alleged otherwise. He has alleged -- and we will get
25 to that -- that that relationship commenced at

1 Harrington Lake by way of some kind of agreement for
2 the future.

3 36299 But you deny that?

4 36300 THE RIGHT HON. BRIAN MULRONEY: Yes.

5 And so did he when he testified in the Eurocopter case.
6 He said under oath that it had taken place after I left
7 office.

8 36301 MR. WOLSON: I think we were able to
9 establish that when Mr. Schreiber testified on
10 Eurocopter, he may have told some untruths. But I will
11 leave that for another time and I only want to focus on
12 your evidence.

13 36302 THE RIGHT HON. BRIAN MULRONEY: Fine.

14 36303 MR. WOLSON: So I'm not going to
15 cross-examine you at this stage -- and you know the
16 purpose of cross-examination, Mr. Mulroney. I am not
17 here to embarrass you. I am not here to cause you and
18 your family huge discomfort. I am here to do a job, to
19 ask probing questions as Commission counsel must do, as
20 your Commission counsel Jean Dutil had to do.

21 36304 THE RIGHT HON. BRIAN MULRONEY: I
22 understand.

23 36305 MR. WOLSON: So the first payment of
24 the commercial legal relationship was the 27th of
25 August, 1993 at Mirabel where he paid you -- and again,

1 he has a different amount. We are just going to
2 proceed on what you said in the last two days.

3 36306 He paid you \$75,000?

4 36307 THE RIGHT HON. BRIAN MULRONEY: Yes.

5 Yes, sir.

6 36308 MR. WOLSON: The second of the
7 meetings was at the Queen Elizabeth Hotel in Montréal.
8 You think it was probably the 18th of December, 1993,
9 but let's leave it at either the 17th or 18th and I
10 think we are close enough.

11 36309 You are content with that?

12 36310 THE RIGHT HON. BRIAN MULRONEY: Yes,
13 sir.

14 36311 MR. WOLSON: And at that meeting he
15 provided you with a further \$75,000 in \$1,000 bills?

16 36312 THE RIGHT HON. BRIAN MULRONEY: Yes,
17 which he described as a payment on the retainer and/or
18 advance.

19 36313 MR. WOLSON: We are going to go into
20 that in some detail, and I appreciate you know that.
21 So let me then continue in summary fashion.

22 36314 The third and final payment was made
23 in a hotel room in New York, the Pierre Hotel. The
24 final payment, December 8, 1994 that he gave you was
25 made a little less than a year before the Letter of

1 Request.

2 36315 The final payment December 8th; the
3 Letter of Request came out September 29th and you found
4 out about it in November.

5 36316 THE RIGHT HON. BRIAN MULRONEY: As it
6 turned out, yes.

7 36317 MR. WOLSON: Yes. So when you were
8 examined for discovery or on discovery, you had
9 received the last package of thousand dollar bills
10 about 16 months earlier?

11 36318 THE RIGHT HON. BRIAN MULRONEY: Yes,
12 sir.

13 36319 MR. WOLSON: Mr. Pratte yesterday
14 read with you interactively some areas of your
15 discovery. I don't plan to be as interactive as he
16 was.

17 36320 Now, the examination on discovery on
18 such a terrible allegation was a very solemn occasion.
19 You would agree?

20 36321 THE RIGHT HON. BRIAN MULRONEY: Yes.

21 36322 MR. WOLSON: You swore an oath to
22 tell the truth, the whole truth and nothing but the
23 truth.

24 36323 THE RIGHT HON. BRIAN MULRONEY: Yes.

25 36324 MR. WOLSON: A similar oath to what

1 you took before Justice or Commissioner Oliphant.

2 36325 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 36326 MR. WOLSON: Not a laughing matter,
4 not a matter of anything more than a serious
5 undertaking of any witness to tell it like it is, tell
6 the truth; right?

7 36327 THE RIGHT HON. BRIAN MULRONEY: Yes.

8 36328 MR. WOLSON: You don't have to go
9 there, but if anyone wanted to, at Book 2, Tab 98, page
10 19 -- I will read it to you, sir -- this is before
11 entering the courtroom, the Palais de Justice.

12 36329 You are familiar with this.

13 Mr. Lavoie had testified to it, Mr. Kaplan had
14 testified to it. It is in Mr. Kaplan's book "A Secret
15 Trial" where this exchange occurs between you and
16 Mr. Lavoie.

17 "... 'Luc, do you know what ...
18 Sheppard's problem is going to
19 be today?'"

20 36330 Mr. Sheppard was the main or the
21 principal examining lawyer of you; right?

22 36331 THE RIGHT HON. BRIAN MULRONEY: Yes.

23 36332 MR. WOLSON:

24 "... 'Luc, do you know what ...
25 Sheppard's problem is going to

1 be today?"

2 'No, boss,'

3 36333 Lavoie replied.

4 'He is going to ask me questions

5 and he expects me to answer

6 them.'" "

7 36334 That was said?

8 36335 THE RIGHT HON. BRIAN MULRONEY: Well,

9 if Mr. Lavoie says it was said, I'm sure it was. It

10 would also have been said in jest.

11 36336 But my recollection of that one was

12 with Mr. Lavoie entering the House Of Commons before

13 Question Period, and that's where I believe that that

14 took place.

15 36337 But if Mr. Lavoie says it was at that

16 occasion as well, then of course -- I would have said

17 it, but it would have been in jest, obviously.

18 36338 MR. WOLSON: Going into a most solemn

19 occasion where you are alleged to have been a criminal,

20 you made those comments, or at least you don't deny

21 them if Lavoie said you did.

22 36339 THE RIGHT HON. BRIAN MULRONEY: If

23 Luc says that I said it, I did. But as you know, sir,

24 sometimes in these areas of life you get through a lot

25 of it with a sense of humour.

1 36340 MR. WOLSON: Sure.

2 36341 You have told this inquiry -- and you
3 have said it on other occasions that I'm aware of --
4 that in Québec the law is that a defendant who chooses
5 to avail himself of this process before filing his
6 defence can only ask questions relevant to the
7 allegations contained in the Statement of Claim.

8 36342 THE RIGHT HON. BRIAN MULRONEY:
9 That's right.

10 36343 MR. WOLSON: You would agree with me,
11 however, that if you are asked a question and you
12 answer it, it has to be answered truthfully and the
13 whole truth.

14 36344 You would agree with that?

15 36345 THE RIGHT HON. BRIAN MULRONEY: Well,
16 of course.

17 36346 MR. WOLSON: Yes. You were
18 represented by very able counsel, Mr. Tremblay. I
19 don't know if Mr. Yarosky was there, but certainly
20 Mr. Tremblay.

21 36347 Was Mr. Yarosky there?

22 36348 MR. YAROSKY: I was in another
23 courtroom. I wished him luck before the examination,
24 though.

25 36349 MR. WOLSON: I'm pleased that you

1 did.

2 36350 THE RIGHT HON. BRIAN MULRONEY: Yes.
3 Mr. Jacques Jeansonne was there, a partner.

4 36351 MR. WOLSON: All right. So you were
5 very well represented.

6 36352 THE RIGHT HON. BRIAN MULRONEY: Yes,
7 indeed.

8 36353 MR. WOLSON: And if they would have
9 had an issue with questions you were asked, they would
10 and could and did at times object?

11 36354 THE RIGHT HON. BRIAN MULRONEY: Yes.

12 36355 MR. WOLSON: I'm going to go to 115
13 of the examination for discovery.

14 36356 THE RIGHT HON. BRIAN MULRONEY: At
15 page 115, sir?

16 36357 MR. WOLSON: Yes, please, sir.

17 36358 COMMISSIONER OLIPHANT: Just for the
18 record, this is Exhibit P-48.

19 36359 MR. WOLSON: This is the April
20 17th -- April the 17th.

21 36360 THE RIGHT HON. BRIAN MULRONEY: Yes.

22 36361 MR. WOLSON: Yes.

23 36362 Are you with me at page 115, sir?

24 36363 THE RIGHT HON. BRIAN MULRONEY: Yes,
25 sir.

1 36364 MR. WOLSON: It starts off that line
2 23:
3 "And the Canadian Government
4 alleges..."
5 36365 MR. WOLSON: Are you there?
6 36366 THE RIGHT HON. BRIAN MULRONEY: Yes.
7 36367 MR. WOLSON: All right. Thank you.
8 "And the Canadian Government
9 alleges that very substantial
10 sums were paid to Mr. Schreiber
11 by Airbus Industries, and you
12 didn't discuss with Mr.
13 Schreiber whether it was true or
14 not?"
15 36368 And he is asking you about a phone
16 call I think you had from Schreiber. You would agree
17 with that?
18 36369 THE RIGHT HON. BRIAN MULRONEY: I
19 would have to read the -- I think he says -- yes.
20 36370 I think he -- well, you go ahead,
21 sir.
22 36371 MR. WOLSON: All right. Thank you.
23 36372 You say:
24 "Mr. Sheppard, the document
25 said, among other things, this,

1 'This investigation is of
2 serious concern to the
3 Government of Canada, as it
4 involves criminal activity on
5 the part of a former Prime
6 Minister'. This is not an
7 allegation, this is a statement
8 of fact where the Government of
9 Canada is judge, jury and
10 executioner."

11 36373 That is what you have said?

12 36374 THE RIGHT HON. BRIAN MULRONEY: Yes.

13 36375 MR. WOLSON:

14 "And what preoccupied me,
15 inasmuch as I had never heard of
16 the Airbus matter in my life,
17 what preoccupied me were the
18 extraordinary falsehoods and
19 injustices as they involve me."

20 36376 I have read that accurately, sir?

21 36377 THE RIGHT HON. BRIAN MULRONEY: Yes.

22 36378 MR. WOLSON:

23 "And I wondered with my family
24 and my friends, quite frankly,
25 how in the name of God could

1 this come about? How could this
2 happen in Canada? How can
3 something like this actually
4 take place?
5 And the fact that Mr. Schreiber
6 may or may not have had any
7 business dealings was not my
8 principal... my principal
9 preoccupation. I had never had
10 any dealings with him."

11 36379 What were you referring to then?

12 36380 THE RIGHT HON. BRIAN MULRONEY: I was
13 referring to the thrust, what evolved as the principal
14 thrust of the Statement of Claim and the context which
15 was established which began I think, sir, a page
16 earlier where, if I may, on page 114, where
17 Mr. Sheppard said:

18 "I'm not referring to November
19 second (2nd), I'm referring to
20 the subsequent calls which Mr.
21 Mulroney described to us this
22 morning.

23 Q- Did you, in the course of
24 these conversations in November,
25 discuss with Mr. Schreiber

1 whether or not he had been paid,
2 he or his companies had been
3 paid commissions by Airbus?"

4 36381 MR. WOLSON: Yes...?

5 36382 THE RIGHT HON. BRIAN MULRONEY: And
6 the answer was:

7 "I never knew... first, prior to
8 this, I had never heard, I never
9 knew and I do not know to this
10 day what arrangements, if any,
11 had been made by Mr. Schreiber
12 or anyone else in respect of any
13 commercial transaction."

14 36383 In reference to Airbus.

15 36384 MR. WOLSON: So --

16 36385 THE RIGHT HON. BRIAN MULRONEY: So
17 the context of the question and the answer, of course,
18 is the allegations in the Statement of Claim, which as
19 you know with the Airbus matter and the constant
20 references to that which placed for me the question
21 clearly within the context of the allegations relating
22 to Airbus.

23 36386 MR. WOLSON: So the fact when you
24 answer at page 116, line 17:

25 "And the fact that Mr. Schreiber

1 may or may not have had any
2 business dealings was not my
3 principal... my principal
4 preoccupation. I had never had
5 any dealings with him."
6 36387 You say is an Airbus answer?
7 36388 THE RIGHT HON. BRIAN MULRONEY: Yes.
8 36389 MR. WOLSON: And you were asked about
9 that in particular, commissions on Airbus, and that's
10 how you interpret it.
11 36390 THE RIGHT HON. BRIAN MULRONEY: Yes,
12 sir.
13 36391 MR. WOLSON: Because you had business
14 dealings with Mr. Schreiber. He had paid you just shy
15 of a quarter of \$1 million.
16 36392 THE RIGHT HON. BRIAN MULRONEY: Yes.
17 36393 MR. WOLSON: But you interpreted the
18 question in the way you have just stated.
19 36394 THE RIGHT HON. BRIAN MULRONEY: Yes,
20 I believe in an entirely justifiable fashion, if one
21 reads the context carefully.
22 36395 MR. WOLSON: Okay, we are going to do
23 that.
24 36396 Then, let's just flip back, if you
25 will, please, sir, to page 81, line 2.

1 36397 It's the 17th of April `96, page 81.

2 36398 THE RIGHT HON. BRIAN MULRONEY: Yes,

3 sir.

4 36399 MR. WOLSON: Thank you, sir.

5 36400 Generally speaking, what Mr. Sheppard

6 does -

7 36401 Mr. Mulroney, what Mr. Sheppard does,

8 generally speaking, is he asks you a number of

9 questions about Karlheinz Schreiber, who he is, what

10 was your -

11 36402 He does ask you those questions,

12 doesn't he?

13 36403 We will do them one at a time.

14 36404 THE RIGHT HON. BRIAN MULRONEY: Yes.

15 36405 MR. WOLSON: He asks you your

16 relationship with him in the early days.

17 36406 He does, doesn't he?

18 36407 THE RIGHT HON. BRIAN MULRONEY: Yes.

19 36408 MR. WOLSON: He asks you while you

20 were in office.

21 36409 He asks you?

22 36410 THE RIGHT HON. BRIAN MULRONEY:

23 M'hmm.

24 36411 MR. WOLSON: Your answer is yes?

25 36412 THE RIGHT HON. BRIAN MULRONEY: Yes,

1 sir.

2 36413 MR. WOLSON: I am not trying to be
3 rude, but we have to have an answer for the record.

4 36414 THE RIGHT HON. BRIAN MULRONEY: Yes.

5 36415 MR. WOLSON: And then he asks you
6 about the relationship the two of you had after you
7 left office. He does a continuum of your interaction
8 and relationship with Schreiber.

9 36416 You recall being asked those
10 questions?

11 36417 THE RIGHT HON. BRIAN MULRONEY: I am
12 not sure - I may have been, but I am not sure that I
13 should recall that last question that you mentioned.

14 36418 MR. WOLSON: I will bring you to it.

15 36419 THE RIGHT HON. BRIAN MULRONEY: Okay.

16 36420 MR. WOLSON: Let's start, though, on
17 page 81, line 2.

18 36421 I take it that you knew who Karlheinz
19 Schreiber was when you received the message.

20 36422 And just to put it in its proper
21 context, this is a phone call that you got from
22 Schreiber, perhaps not directly, but it was to tell you
23 about the LOR, and you told the Commissioner that you
24 were at a meeting, and you got home before dinner, and
25 you made arrangements to make a call to Mr. Schreiber.

1 36423 THE RIGHT HON. BRIAN MULRONEY:
2 M'hmm.

3 36424 MR. WOLSON: We are on the same
4 wavelength here, are we?

5 36425 THE RIGHT HON. BRIAN MULRONEY: Yes,
6 sir.

7 36426 MR. WOLSON: Okay. Sheppard says:
8 "So, I take it you knew who Mr.
9 Karl-Heinz Schreiber was when
10 you received the message?"
11 36427 Your answer is: "Yes, I did."
12 36428 He said: "You know him?"
13 "A- I know him..."
14 "Q- Can you describe your
15 relationship with him?"
16 36429 That's a pretty clear, open-ended
17 question. True?

18 36430 THE RIGHT HON. BRIAN MULRONEY: Yes,
19 sir.

20 36431 MR. WOLSON: He is asking you to
21 describe your relationship with him.

22 36432 THE RIGHT HON. BRIAN MULRONEY: Yes,
23 in the context of what had just taken place, the
24 explosion of the Airbus matter.

25 36433 MR. WOLSON: Yes, and your answer at

1 line 8:

2 "...a businessman from Germany
3 who moved, apparently to
4 Alberta, where he was involved
5 in business, and I was
6 introduced to him, I... I
7 believe, although I have no
8 specific recollection of this,
9 that it must have been in the
10 beginning of the early
11 eighties...

12 36434 He was a successful businessperson in
13 Alberta, and I was president of the Iron Ore Company of
14 Canada, and I would have been introduced to him in...a
15 business context. Although I did know that he was a
16 very strong supporter of the Government, of Premier
17 Peter Lougheed, whom I admired a great deal. That was
18 my knowledge of him at the time."

19 36435 That's what you say.

20 36436 THE RIGHT HON. BRIAN MULRONEY: Yes.

21 36437 MR. WOLSON: Did you know that
22 Lougheed had told his people who worked for him that
23 they were to have no business with Schreiber, no
24 contact, and no contracts with Schreiber?

25 36438 Were you aware of that at the time?

1 36439 THE RIGHT HON. BRIAN MULRONEY: No.

2 36440 MR. WOLSON: And you were asked when

3 you were introduced to him, and where, and if you go

4 down to page 82, you say, at line 6:

5 "...you encounter all kinds of

6 people in those activities. I

7 cannot be more specific...

8 certainly am sure that I met him

9 in the years prior to nineteen

10 eighty-four (1984)."

11 36441 So you are discussing the

12 relationship you had with him prior to 1984, or in

13 1984. Right?

14 36442 THE RIGHT HON. BRIAN MULRONEY: Yes.

15 36443 MR. WOLSON: Then he says to you at

16 line 11:

17 "Can you describe your relationship with him after?"

18 36444 Right?

19 36445 THE RIGHT HON. BRIAN MULRONEY:

20 M'hmm.

21 36446 MR. WOLSON: Again, if you would

22 answer, please, sir.

23 36447 THE RIGHT HON. BRIAN MULRONEY: I'm

24 sorry. Yes.

25 36448 MR. WOLSON: There is nothing more

1 distracting for a judge or a commissioner to be looking
2 at a transcript and you get a "M'hmm" or just a nod of
3 the head, so...

4 36449 THE RIGHT HON. BRIAN MULRONEY: I
5 agree.

6 36450 MR. WOLSON: All right.

7 36451 COMMISSIONER OLIPHANT: But I want to
8 make the point; he doesn't have to answer "Yes" or
9 "No", either, he can give the answer he wants.
10 --- Laughter / Rires

11 36452 MR. WOLSON: Absolutely. I respect
12 that and I encourage Mr. Mulroney to answer how he so
13 pleases.

14 36453 Not only that, I know he will.
15 --- Laughter / Rires

16 36454 MR. WOLSON: Page 82, line 11:
17 "Can you describe your relationship with him after?"

18 36455 So we're talking about after '84
19 here, given your previous answer. Right?

20 36456 THE RIGHT HON. BRIAN MULRONEY: Yes.

21 36457 MR. WOLSON: You say:

22 "Mr. Schreiber was a businessman
23 who seemed to be interested
24 in... in economic
25 development...I tended to

1 associate him with one project
2 in particular..."

3 36458 And then you say that it's the
4 Thyssen project.

5 "He had a project which dealt
6 with Canadian Exports. He
7 believed - and he was quite
8 knowledgeable about the capacity
9 and the need for Canada to
10 export.

11 36459 He had a project which called for the
12 building of vehicles that would be either sold to the
13 NATO...or eventually, as time went on, a new vehicle
14 that would be sold to the United Nations Peacekeepers."

15 36460 THE RIGHT HON. BRIAN MULRONEY: Yes.

16 36461 MR. WOLSON: You know, all throughout
17 the transcript of dealing with Mr. Schreiber and Bear
18 Head and all of that - and we are going to discuss it
19 today a little bit - NATO, yes; UN, as I see it, only
20 came up when you met with him on the 27th of August of
21 1993 at Mirabel, when he gave to you a pamphlet with a
22 bunch of vehicles with the UN insignia all over it.

23 36462 Is that how you see it?

24 36463 THE RIGHT HON. BRIAN MULRONEY: No.

25 36464 MR. WOLSON: When do you say he

1 raised the UN with you?

2 36465 THE RIGHT HON. BRIAN MULRONEY: It
3 was raised in the course of the meetings that he and
4 Elmer and Fred Doucet sought with me, as an indication
5 of the opportunities that would exist in the
6 international export market, but -

7 36466 MR. WOLSON: I am going to suggest -

8 36467 THE RIGHT HON. BRIAN MULRONEY: --
9 the specifics - I'm sorry - the specifics, you are
10 quite right, came when he provided me with the
11 brochures, and that was, I suppose, the most specific,
12 obviously. But he had referred to this before.

13 36468 MR. WOLSON: He had referred to NATO
14 before -

15 36469 THE RIGHT HON. BRIAN MULRONEY: Yes.

16 36470 MR. WOLSON: -- and international
17 peacekeeping.

18 36471 THE RIGHT HON. BRIAN MULRONEY: Yes.

19 36472 MR. WOLSON: Had he referred to the
20 UN, in your evidence, prior to -

21 36473 THE RIGHT HON. BRIAN MULRONEY: Well,
22 yes -

23 36474 MR. WOLSON: -- the 27th of August
24 '93?

25 36475 THE RIGHT HON. BRIAN MULRONEY: No

1 one else does international peacekeeping but the UN.

2 Yes, he had referred to it.

3 36476 MR. WOLSON: I see. What was

4 NATO's -

5 36477 THE RIGHT HON. BRIAN MULRONEY: Not

6 in a major way, but in reference thereto, I think after

7 the assistance that Canada, in particular, had provided

8 pursuant to the disintegration of the Balkans.

9 36478 MR. WOLSON: You say, at page 82,

10 line 23:

11 "He had a project which called

12 for the building of vehicles

13 that would be either sold to the

14 NATO armies or eventually, as

15 time went on, a new vehicle that

16 would be sold to the United

17 Nations Peacekeepers."

18 36479 THE RIGHT HON. BRIAN MULRONEY: Yes.

19 36480 MR. WOLSON: When did he give you a

20 document that indicated a vehicle that was going to be

21 sold, or could be sold to the United Nations?

22 36481 THE RIGHT HON. BRIAN MULRONEY: In

23 1993.

24 36482 MR. WOLSON: When?

25 36483 THE RIGHT HON. BRIAN MULRONEY: On

1 August 27.

2 36484 MR. WOLSON: Right. When he paid you
3 \$75,000.

4 36485 THE RIGHT HON. BRIAN MULRONEY: When
5 he retained my services to act for him internationally.

6 36486 MR. WOLSON: But he paid you \$75,000.

7 36487 THE RIGHT HON. BRIAN MULRONEY: Yes,
8 he did.

9 36488 MR. WOLSON: You didn't think that it
10 would be appropriate at that point, when you said,
11 "eventually, as time went on, a new vehicle that would
12 be sold to the United Nations Peacekeepers..." - and I
13 can tell you, Mr. Sheppard, he and I struck an
14 arrangement - a legitimate arrangement - where I would
15 act for him internationally?

16 36489 You didn't think you should add that?

17 36490 THE RIGHT HON. BRIAN MULRONEY: I
18 wasn't asked that question, sir.

19 36491 MR. WOLSON: You weren't asked that -

20 36492 THE RIGHT HON. BRIAN MULRONEY: And,
21 as you know - and it might be appropriate for me to
22 mention, unless -

23 36493 I would just like to say that I was
24 clearly instructed by my attorneys in this unique
25 proceeding that took place in Quebec. It's not an

1 Examination on Discovery as we know in the common law
2 provinces, it's an Examination Before a Plea, and it
3 exists only in the Province of Quebec, and when a
4 defendant chooses to examine the plaintiff before a
5 plea in those circumstances, he is very clearly and
6 very stringently limited to the allegations in his
7 Statement of Claim - in the Statement of Claim, and the
8 responses have to be responsive to that.

9 36494 MR. WOLSON: Except, sir - I
10 understand that, and we have covered that already, but
11 you are now talking about a relationship you had with
12 Schreiber, or at least that you knew about Schreiber,
13 who was wanting to sell vehicles to NATO and the United
14 Nations.

15 36495 That, strictly speaking, is not
16 within the Statement of Claim. This is outside the
17 Statement of Claim, and you are talking about it.

18 36496 THE RIGHT HON. BRIAN MULRONEY: But
19 the question was -

20 36497 Yes, indeed, you are quite right, but
21 what was the question?

22 36498 MR. WOLSON: The question was about
23 the relationship -

24 36499 THE RIGHT HON. BRIAN MULRONEY: The
25 question was: Can you describe your relationship after

1 you became Prime Minister?

2 36500 Yes, that's what I am trying to do,
3 to give an answer - an honest answer as to my
4 relationship with him after I became Prime Minister,
5 and in a series of statements I am trying to fully
6 describe, to the extent possible, in that limited
7 context, that.

8 36501 MR. WOLSON: You are trying to
9 describe the relationship that you had, because you
10 were asked the question, which hadn't been objected to,
11 and you are answering. The only thing you do in
12 answering is, you are not quite fulsome in your
13 responses.

14 36502 THE RIGHT HON. BRIAN MULRONEY: I am
15 fulsome, sir.

16 36503 MR. WOLSON: All right. We are going
17 to go on, then.

18 36504 THE RIGHT HON. BRIAN MULRONEY: And
19 truthful.

20 36505 MR. WOLSON: We are going to go on.

21 36506 Then, after telling him about the
22 United Nations, which you will find at line 1, page 83,
23 you say:

24 "This project, when it first
25 came to my attention, was to

1 have been built in Cape Breton.
2 When I was first elected to the
3 House of Commons, I was elected
4 from Central Nova...I had been
5 educated in... in that area as
6 well. I'd gone to college
7 there. I was well familiar with
8 the area and unemployment rates
9 that ranged as high as fifty
10 percent (50%)."

11 36507 What does that have to do with the
12 lawsuit which you were bringing against the Government
13 of Canada, who were alleging that you were a criminal?

14 36508 THE RIGHT HON. BRIAN MULRONEY: I was
15 simply trying to provide the information in response to
16 the question to which you referred me at 235, which -

17 36509 MR. WOLSON: So you didn't object to
18 the question.

19 36510 THE RIGHT HON. BRIAN MULRONEY: No.
20 The question was: Can you describe your relationship
21 with him after, which was after 1984, and during the
22 time I was Prime Minister.

23 36511 The Statement of Claim, sir, referred
24 to - it said that Brian Mulroney was a criminal from
25 the time he was sworn into office, on the 17th of

1 September 1984, to the day he left office, on the 25th
2 of June 1993.

3 36512 That's what we were talking about,
4 and that was the timeframe that I clearly understood,
5 in which I was trying to provide the information.

6 36513 MR. WOLSON: So any answer on this
7 part that you were giving, you were providing
8 background while you were Prime Minister.

9 36514 Is that it, in a nutshell?

10 36515 THE RIGHT HON. BRIAN MULRONEY: Yes.
11 Simply trying, as you say, to provide some background.

12 36516 MR. WOLSON: All right. Let's carry
13 on.

14 36517 You tell him about Schreiber's
15 principal interest at line 25 of page 83, still
16 providing this helpful background -

17 36518 THE RIGHT HON. BRIAN MULRONEY:
18 Excuse me, sir, I'm sorry.

19 36519 MR. WOLSON: I'm sorry.

20 36520 THE RIGHT HON. BRIAN MULRONEY: Page
21 83?

22 36521 MR. WOLSON: Page 83.

23 36522 THE RIGHT HON. BRIAN MULRONEY: Yes.

24 36523 MR. WOLSON: Going up, let's say, to
25 about line 11.

1 36524 After you have told Mr. Sheppard
2 about the unemployment in Central Nova, or in Nova
3 Scotia generally, obviously, you then say: "The
4 project would create a thousand jobs...", and you
5 associated him, meaning Schreiber, with that specific
6 project, the Thyssen project.

7 36525 THE RIGHT HON. BRIAN MULRONEY:
8 That's right.

9 36526 MR. WOLSON: And then you talk about
10 Thyssen Canada -

11 36527 THE RIGHT HON. BRIAN MULRONEY:
12 M'hmm.

13 36528 MR. WOLSON: Your answer is yes?

14 36529 THE RIGHT HON. BRIAN MULRONEY: Yes.

15 36530 I'm sorry. Yes, sir.

16 36531 MR. WOLSON: Or it may be no, but I
17 think it's yes.

18 36532 You then go on and you talk about the
19 high-technology vehicles, at page 84, line 4.

20 36533 At page 84, line 4, sir, you talk
21 about high-technology vehicles for initial sale to NATO
22 military forces, and you give him - Sheppard - an
23 outline of, while you were Prime Minister, your
24 relationship with Mr. Schreiber.

25 36534 Right?

1 36535 THE RIGHT HON. BRIAN MULRONEY: Yes,
2 sir.

3 36536 MR. WOLSON: Because you were doing
4 what you said to the Commissioner, you were trying to
5 stay within the four corners, which covered the time
6 while you were Prime Minister.

7 36537 THE RIGHT HON. BRIAN MULRONEY: Yes.

8 36538 MR. WOLSON: You said at page 84, at
9 the bottom, line 23:

10 "Q- And can you go on to
11 describe your relationship over
12 the years?

13 A- Well,...he lived in Germany
14 and he visited Canada....I could
15 see, he visited Canada
16 infrequently. He went to
17 Alberta, I think, from time to
18 time to Ottawa...as I say,
19 worked on this particular
20 project."

21 36539 So you are going on and talking more
22 about Mr. Schreiber and the Thyssen project. True?

23 36540 THE RIGHT HON. BRIAN MULRONEY: While
24 I was in office, yes, sir.

25 36541 MR. WOLSON: I understand that.

1 36542 You say at the bottom of page 85,
2 line 24:
3 "...on the infrequent occasions
4 when I would see him on
5 business, when he was promoting
6 the Tissen (sic) Project, he
7 would raise this German
8 unification issue and speak very
9 knowledgeably about it."
10 36543 You told us about that yesterday.
11 36544 THE RIGHT HON. BRIAN MULRONEY: Yes,
12 sir.
13 36545 MR. WOLSON: You were asked at line
14 18 whether or not you had ever visited him at any of
15 his homes in Europe, and you were asked where you had
16 met him, where the meetings took place. You indicate
17 at line 23, in Ottawa, in your office, maybe at a
18 fundraiser -
19 "...I can't swear to that, but I
20 have vivid recollections of a
21 few meetings...."
22 36546 True?
23 36547 THE RIGHT HON. BRIAN MULRONEY: Yes.
24 36548 MR. WOLSON: You didn't tell him
25 about Harrington Lake on the 23rd of June 1993, when

1 you were still Prime Minister, when you met with Mr.
2 Schreiber.

3 36549 THE RIGHT HON. BRIAN MULRONEY: No,
4 it was a courtesy call to say goodbye, but I didn't - I
5 wasn't asked to detail the meetings that I had with Mr.
6 Schreiber, I was asked the question to which you
7 referred earlier.

8 36550 MR. WOLSON: I see.

9 36551 THE RIGHT HON. BRIAN MULRONEY: I am
10 trying to flesh it out. I wasn't asked anything about
11 that.

12 36552 MR. WOLSON: You go on, and you say
13 at page 87 -

14 36553 At the top of page 87, line 4, you
15 say that in your office there were meetings with public
16 servants - senior public servants.

17 36554 All of that is correct, sir?

18 36555 At page 87 you are talking about
19 meetings that you may have had with Schreiber, and you
20 say at the bottom of 86 that you met with him in your
21 office, and you go on at page 87 to say that you met
22 with him, and other public servants may have been
23 there.

24 36556 That's what you say.

25 36557 THE RIGHT HON. BRIAN MULRONEY: Yes.

1 36558 MR. WOLSON: You are telling the
2 questioner, Mr. Sheppard, about your relationship with
3 Schreiber while you were in office.

4 36559 THE RIGHT HON. BRIAN MULRONEY:
5 That's right.

6 36560 MR. WOLSON: All right.

7 36561 And you continued to do that for a
8 few pages, and at page 88 --

9 36562 And, to be fair, your lawsuit -
10 36563 Sir, your lawsuit was dealing with
11 the allegations of criminality that they were alleging
12 against you regarding a fraud conspiracy regarding
13 Airbus, Bear Head and MBB Helicopters.

14 36564 That was the lawsuit in which you
15 responded to the Letter of Request.

16 36565 THE RIGHT HON. BRIAN MULRONEY: And I
17 believe it also said that I had received \$5 million
18 from the Airbus transaction, which was secured for me
19 in a specifically numbered account at the Swiss Bank in
20 Zurich. That was the thrust of the lawsuit.

21 36566 MR. WOLSON: Well, the thrust of the
22 lawsuit was also alleging criminal -

23 36567 THE RIGHT HON. BRIAN MULRONEY: Well,
24 of course -

25 36568 MR. WOLSON: -- or countering -

1 responding to libellous allegations, criminal
2 allegations, that had been levelled against you, not
3 just regarding Airbus, but regarding Bear Head.

4 36569 THE RIGHT HON. BRIAN MULRONEY: Well,
5 as I understand it - yes, I think that's accurate, but
6 this quickly emerged, overnight, into what, as you
7 know, was called the "Airbus Affair", and if you look
8 at - I haven't got it here, I don't think, but if you
9 look at the Statement of Claim - I'm sorry, the Letter
10 of Request, it is referring to proceeds from the Airbus
11 transaction, I believe -

12 36570 MR. WOLSON: Well, we will come to
13 that, and I will actually direct you to it -

14 36571 THE RIGHT HON. BRIAN MULRONEY: Okay.

15 36572 MR. WOLSON: -- but would you
16 concede - maybe you won't - that the lawsuit was
17 responding to a Letter of Request calling you a
18 criminal with regard to Airbus, Bear Head and MBB
19 Helicopters?

20 36573 Is that a correct statement?

21 36574 THE RIGHT HON. BRIAN MULRONEY: That
22 may indeed be it, but I would just simply mention, en
23 passant, that, in my mind, this was focused on Airbus,
24 and I think the minds of all Canadians, because that is
25 the way it was promulgated, constantly, and without

1 interruption.

2 36575 MR. WOLSON: All right.

3 36576 You indicate at page 88 of the
4 Discovery -

5 36577 THE RIGHT HON. BRIAN MULRONEY: Yes?

6 36578 MR. WOLSON: -- at around line 12,
7 and reading through to about line 18, that when you
8 found out that the cost of this Bear Head project was
9 \$100 million, you cancelled the project.

10 36579 THE RIGHT HON. BRIAN MULRONEY: Yes,
11 and then, I think, it goes on to say - I ought to
12 mention, more accurately, that the government cancelled
13 the project.

14 36580 MR. WOLSON: Quite so.

15 36581 And then you say at page 89, line 5:
16 "And at this point in time, the
17 Tissen (sic) Project had evolved
18 into one where vehicles would be
19 made for the United Nations
20 Peacekeeping Forces around the
21 world to protect our
22 Peacekeepers."

23 36582 At what point in time was that?

24 36583 THE RIGHT HON. BRIAN MULRONEY: I
25 think in its last - this started to become more

1 prominent in its last reincarnation, as Mr. Schreiber
2 honed and changed his plans for the project, and then
3 moved it geographically.

4 36584 I believe that the huge, and
5 sometimes painful, experience of Canada in the Balkans,
6 where I think we were the second largest supplier of
7 troops to an extremely troubled and difficult area,
8 brought the whole United Nations peacekeeping status to
9 a more dramatic fore, as a result of which it became
10 more prominent in discussions that I can remember.

11 36585 MR. WOLSON: So you actually remember
12 meeting with Elmer, and meeting with Schreiber, or Fred
13 Doucet, prior to your leaving office?

14 36586 THE RIGHT HON. BRIAN MULRONEY: No, I
15 didn't say that, sir.

16 36587 MR. WOLSON: But that's what I want
17 to ask you. Did you meet with these gentlemen prior to
18 your leaving office and discuss Thyssen vis-à-vis UN
19 peacekeeping?

20 36588 THE RIGHT HON. BRIAN MULRONEY: No,
21 what I am saying is, in the various meetings that took
22 place, this was in the air. I am not sure, but I
23 believe it had more to do with the change in
24 configuration of the project, as they contemplated the
25 east end of Montreal.

1 36589 MR. WOLSON: Was it in the air, or
2 was it actually a discussion, or was there commentary
3 on it?

4 36590 THE RIGHT HON. BRIAN MULRONEY: No,
5 there was no formal discussion -

6 36591 MR. WOLSON: I see.

7 36592 THE RIGHT HON. BRIAN MULRONEY: -- it
8 was just one of the alternatives that I know had been
9 mentioned.

10 36593 MR. WOLSON: By whom?

11 36594 THE RIGHT HON. BRIAN MULRONEY: I
12 suppose that it was - the only area that I discussed
13 this with was with Mr. Doucet and/or Mr. MacKay, Mr.
14 Schreiber, possibly - I remember an important meeting
15 with Paul Tellier and Bob Fowler. I am not sure
16 exactly when or where, but it was in that timeframe.

17 36595 MR. WOLSON: All right. We are going
18 to go through some of those, so we will have a better
19 opportunity to look at it.

20 36596 Let me, then, continue on with the
21 Discovery.

22 36597 MR. PRATTE: I'm sorry, Mr.
23 Commissioner, to rise. It is not my wont to do that,
24 and I am sure that Mr. Wolson is doing his best to be
25 extremely fair, but I am concerned about the fact that,

1 since we are reviewing the transcript, the witness
2 should be pointed to, in my respectful submission, the
3 relevant context.

4 36598 I won't put it to the witness
5 directly because I don't want to do something improper,
6 but perhaps Mr. Wolson might consider the couple of
7 lines just before, which may be relevant to his
8 questioning.

9 36599 At the top of 89 -

10 36600 COMMISSIONER OLIPHANT: You are
11 referring to the issue about "at this point in time"?

12 36601 MR. PRATTE: Yes, two lines ahead of
13 that.

14 36602 COMMISSIONER OLIPHANT: I see.

15 36603 MR. WOLSON: That's a good
16 suggestion, so I will adopt it.

17 36604 Page 89, line 1:

18 "...Mr. Schreiber, a determined,
19 resolved guy, I can remember a
20 meeting with him. By this time,
21 it is now... nineteen ninety-one
22 (1991) or nineteen ninety-two
23 (1992).

24 36605 And at this point in time, the Tissen
25 (sic) Project had evolved into one where vehicles would

1 be made for United Nations Peacekeeping Forces around
2 the world to protect our Peacekeepers."

3 36606 THE RIGHT HON. BRIAN MULRONEY: Yes.

4 36607 MR. WOLSON:

5 "The United Nations had issued a
6 report saying the vehicles were
7 no longer safe to protect
8 Canadians and others from
9 snipers.

10 36608 And so I met with him, and Mr. Paul
11 Tellier, who was the clerk of the Privy Council and the
12 Secretary of the Cabinet..."

13 36609 We will come to those meetings,
14 because there is something in terms of memos, and I
15 will be pleased to refer you to them.

16 36610 I am not in any way trying to take
17 apart a transcript and just put statements to you out
18 of context. That's not what I am about, and that's not
19 what I am trying to do.

20 36611 THE RIGHT HON. BRIAN MULRONEY: I
21 understand.

22 36612 MR. WOLSON: Then you talk about
23 meeting with Mr. Tellier and the Secretary of the
24 Cabinet.

25 36613 And then you say, at line 18:

1 "There was a subsequent meeting
2 with the Department of National
3 Defence in the presence of the
4 Deputy Minister...Fowler, who is
5 now our ambassador to the United
6 Nations, Mr. Tellier and I and
7 Mr. Schreiber, he made his case
8 and... and left.

9 36614 Sometime later, the Department of
10 National Defence decided in favour of another
11 company..."

12 36615 -- and the other company, we know, is
13 GM in London.

14 36616 That's so, is it not, Mr. Mulroney?

15 36617 THE RIGHT HON. BRIAN MULRONEY: Yes,
16 sir.

17 36618 MR. WOLSON: Then you say, at page
18 90, line 3:

19 "He didn't quit. He kept
20 working at it in nineteen
21 ninety-two (1992), nineteen
22 ninety-three (1993), and so on.
23 Q- All of these meetings...that
24 you described with him, were
25 representatives of Tissen (sic)

1 in attendance?"

2 36619 And then you answer that.

3 36620 Then, at line 14 -

4 36621 Let's put this in context now. I

5 have gone over a lot of transcript. We talked about

6 before 1984, Mr. Sheppard did, and we reviewed those

7 transcripts.

8 36622 Right?

9 36623 THE RIGHT HON. BRIAN MULRONEY: Yes,

10 sir.

11 36624 MR. WOLSON: We then went into the

12 relationship while you were Prime Minister.

13 36625 We have talked about that?

14 36626 THE RIGHT HON. BRIAN MULRONEY: Yes.

15 36627 MR. WOLSON: You left office in June

16 of 1993.

17 36628 THE RIGHT HON. BRIAN MULRONEY: Yes.

18 36629 MR. WOLSON: June 25th, as I recall.

19 36630 THE RIGHT HON. BRIAN MULRONEY:

20 That's right.

21 36631 MR. WOLSON: Having been Prime

22 Minister for nine years.

23 36632 THE RIGHT HON. BRIAN MULRONEY: Yes,

24 sir.

25 36633 MR. WOLSON: Well, if it stopped

1 there, you see, your answers that you have given, and
2 that you said - you have talked about the four corners
3 of the claim, which alleged that while you were Prime
4 Minister - you have gone through those with Mr.
5 Sheppard, and I have read them to you.

6 36634 Right?

7 36635 THE RIGHT HON. BRIAN MULRONEY: Yes.

8 36636 MR. WOLSON: Page 90, please, line
9 15 -

10 36637 THE RIGHT HON. BRIAN MULRONEY: Yes.

11 36638 MR. WOLSON: Let me ask you a
12 question before we go there.

13 36639 When you left office -

14 36640 Mr. Mulroney, when you left office
15 June 25, `93, you had met on three occasions with
16 Schreiber: once at Mirabel, once at the Queen
17 Elizabeth, and once at The Pierre?

18 36641 THE RIGHT HON. BRIAN MULRONEY: Yes.

19 36642 MR. WOLSON: Those are the only
20 three?

21 36643 THE RIGHT HON. BRIAN MULRONEY:
22 That's right.

23 36644 MR. WOLSON: All right.

24 36645 So then let's go to page 90 --

25 36646 THE RIGHT HON. BRIAN MULRONEY: Yes,

1 sir.

2 36647 MR. WOLSON: -- line 15:

3 "Did you maintain contact with

4 Mr. Schreiber after you ceased

5 being Prime Minister?"

6 36648 You see that?

7 36649 THE RIGHT HON. BRIAN MULRONEY: Yes.

8 36650 MR. WOLSON: So he is clearly now

9 asking you about your contact with Schreiber, now after

10 you are out of the office; right?

11 36651 THE RIGHT HON. BRIAN MULRONEY:

12 That's right.

13 36652 MR. WOLSON: No objection, by the

14 way, here to that question. You see that?

15 36653 THE RIGHT HON. BRIAN MULRONEY: Yes.

16 36654 MR. WOLSON: Line 17:

17 "Well, from time to time, not

18 very often. When he was going

19 through Montreal, he would give

20 me a call. We would have a cup

21 of coffee. I think, once or

22 twice."

23 36655 Well, those once or twice --

24 Mr. Mulroney...?

25 36656 Those once or twice would be at the

1 Mirabel and at the Queen Elizabeth; right?

2 36657 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 36658 MR. WOLSON:

4 "... I think, once or twice.

5 And he told me that he continued

6 to work on his project, that he

7 was pushing a new government."

8 36659 Well, it's more than coffee. You

9 meet at the Mirabel Hotel. You may have a cup of

10 coffee, but the essence of the meeting isn't coffee, is

11 it?

12 36660 THE RIGHT HON. BRIAN MULRONEY: When

13 I went to that Mirabel Hotel, I didn't know -- first of

14 all, I was invited to the hotel. I never -- I never

15 asked for the meeting. Mr. Schreiber asked for that

16 meeting and the others.

17 36661 I went to the hotel as a convenience

18 because he was going to Germany, as you know, that

19 night. In fact, the meeting lasted about a half an

20 hour or so because of his schedule. And I went to the

21 hotel to meet with him.

22 36662 I had no idea what was going to

23 transpire there.

24 36663 MR. WOLSON: Well, you knew this much

25 because Fred Doucet had called you and said, you know,

1 Schreiber wants to talk to you.

2 36664 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 36665 MR. WOLSON: When did Fred call you,
4 by the way, in relation to the meeting?

5 36666 THE RIGHT HON. BRIAN MULRONEY: I'm
6 going to say that it was perhaps 10 days before or
7 something like that.

8 36667 MR. WOLSON: All right. So around
9 mid-August?

10 36668 THE RIGHT HON. BRIAN MULRONEY: Say
11 mid-August, yes.

12 36669 MR. WOLSON: All right.

13 36670 THE RIGHT HON. BRIAN MULRONEY: Yes.

14 36671 MR. WOLSON: And you knew from the
15 phone call that Schreiber was going to offer you some
16 kind of --

17 36672 THE RIGHT HON. BRIAN MULRONEY:
18 International -- international work, yes.

19 36673 MR. WOLSON: International work.

20 36674 THE RIGHT HON. BRIAN MULRONEY: Yes.

21 36675 MR. WOLSON: Okay.

22 36676 THE RIGHT HON. BRIAN MULRONEY: But
23 he didn't specify during the call --

24 36677 MR. WOLSON: Of course.

25 36678 THE RIGHT HON. BRIAN MULRONEY: --

1 what it might be.

2 36679 MR. WOLSON: And we are going to -- I

3 promise you, we are going to cover that in some detail.

4 36680 But I want to go back to these

5 questions.

6 36681 THE RIGHT HON. BRIAN MULRONEY: Yes.

7 36682 MR. WOLSON: Page 90, line 15.

8 36683 THE RIGHT HON. BRIAN MULRONEY: Yes.

9 36684 MR. WOLSON:

10 "Did you maintain contact with

11 Mr. Schreiber after you ceased

12 being Prime Minister?

13 A- Well, from time to time, not

14 very often. When he was going

15 through Montreal, he would give

16 me a call. We would have a cup

17 of coffee, I think, once or

18 twice."

19 36685 You see that?

20 36686 THE RIGHT HON. BRIAN MULRONEY: Yes.

21 36687 MR. WOLSON: But I am suggesting to

22 you, by the time you were testifying at this

23 examination on discovery you knew -- you knew darn well

24 that it wasn't the essence of the meeting at Mirabel.

25 You are talking now about 1996 when you are testifying.

1 36688 You knew that that meeting had ended
2 in a commercial relationship where you were given
3 \$75,000 in \$1000 bills.

4 36689 THE RIGHT HON. BRIAN MULRONEY: Yes.
5 36690 MR. WOLSON: You knew that.

6 36691 THE RIGHT HON. BRIAN MULRONEY: Of
7 course.

8 36692 MR. WOLSON: The news, if one were
9 reporting it, wasn't that you had a cup of coffee with
10 the man, it was about that you entered into a
11 commercial relationship with him where he paid you in
12 cash in a hotel room.

13 36693 That was the essence of you being
14 there. It was for business purposes.

15 36694 THE RIGHT HON. BRIAN MULRONEY: It
16 might have been the essence of me being there, but it
17 was not in any way the essence of the question.

18 36695 The question that Mr. Sheppard asked
19 me was:

20 "Did you maintain contact..."

21 36696 MR. WOLSON: I see.

22 36697 THE RIGHT HON. BRIAN MULRONEY:
23 "... with Mr. Schreiber
24 after..."

25 36698 It was not: Did you have a

1 commercial relationship with him or can you indicate
2 the nature of your commercial relationship, or what
3 have you.

4 36699 MR. WOLSON: How would Mr. Sheppard
5 know about a commercial relationship. You did. How
6 would he know?

7 36700 THE RIGHT HON. BRIAN MULRONEY: Well,
8 he was retained to find these things out and I think
9 you will agree, sir, having gone over this, if he had
10 not been jumping around all over the lot -- and I say
11 this with respect for him. Had he not been jumping
12 around in such a disjointed manner and followed
13 through, perhaps, as Mr. Kaplan has said, he would have
14 wound up asking the questions and I would have
15 responded fully and truthfully, but the --

16 36701 MR. WOLSON: Well, who knew? Who
17 knew about the commercial relationship? You? You
18 knew; right?

19 36702 THE RIGHT HON. BRIAN MULRONEY: Yes.

20 36703 MR. WOLSON: Mr. Schreiber knew.

21 36704 THE RIGHT HON. BRIAN MULRONEY: Yes.

22 36705 MR. WOLSON: And Mr. Doucet knew.

23 36706 THE RIGHT HON. BRIAN MULRONEY: Yes.

24 And Mr. Schreiber has testified that he advised a high
25 ranking official of Thyssen in Germany.

1 36707 MR. WOLSON: All right. So the high
2 ranking official in Germany is in Germany. You are not
3 talking about it. Schreiber is not talking about it
4 and Mr. Doucet hasn't talked about it. So how in the
5 world would nine lawyers or 900 lawyers know about a
6 commercial business relationship, because you say if
7 they had asked me I would tell them.

8 36708 You see, you are the only one in the
9 room there that knew.

10 36709 THE RIGHT HON. BRIAN MULRONEY: I was
11 there being subjected to a two-day interrogation, and I
12 am going to answer all questions truthfully. But the
13 questions, first, would have to fall generally speaking
14 within the purview of my Statement of Claim, but more
15 specifically I was not there to say to Mr. Sheppard, or
16 to anyone at the end of their day and a half
17 interrogation, oh, by the way, you forgot to ask me
18 such and such. Why don't you go ahead and do that.

19 36710 We had already had at this time --
20 you must remember the context of how this began, the
21 efforts that we had made to cooperate fully with the
22 government, at which time I would have revealed
23 everything if they had accepted our offer to have Roger
24 Tassé bring me to Ottawa prior to the releasing public
25 of the document.

1 36711 MR. WOLSON: Well, we heard that
2 yesterday, but I want to focus on this discovery.

3 36712 So is it your evidence that because
4 Sheppard asked you about contact, that coffee sufficed?

5 36713 THE RIGHT HON. BRIAN MULRONEY: It is
6 my evidence that I was familiar with the parameters of
7 the law as explained to me by my lawyers. They said
8 respond truthfully to questions within that purview and
9 do not volunteer any information. You do not have to
10 do that.

11 36714 MR. WOLSON: What did having coffee
12 after you were out of office have to do with the four
13 corners of the examination?

14 36715 THE RIGHT HON. BRIAN MULRONEY: I was
15 simply asked did I maintain contact with Mr. Schreiber,
16 that's all.

17 36716 MR. WOLSON: I see. Well, let's go
18 on. I will read it again:

19 "Did you maintain contact with
20 Mr. Schreiber after you ceased
21 being Prime Minister?

22 A- Well, from time to time, not
23 very often."

24 36717 And we know, sir, there were three
25 times; right? We know that.

1 36718 THE RIGHT HON. BRIAN MULRONEY:
2 That's not very often.

3 36719 MR. WOLSON: No.

4 36720 THE RIGHT HON. BRIAN MULRONEY: Twice
5 in Québec and once in New York, yes.

6 36721 MR. WOLSON: I just say there were
7 three times and you agree with that.

8 36722 THE RIGHT HON. BRIAN MULRONEY: Oh,
9 we have agreed upon that.

10 36723 MR. WOLSON: Yes, okay.

11 "When he was going through
12 Montreal, he would give me a
13 call. We would have a cup of
14 coffee, I think, once or twice.
15 And he told me that he continued
16 to work on his project, that he
17 was pushing a new government.
18 And he told me that the idea of
19 the project at that point was
20 the same project, but the
21 desirability at the time was to
22 work with the Provincial
23 Government of Quebec and the
24 Federal Government, the new
25 Federal Government, to establish

1 this new project in the east end
2 of Montreal where the jobs were
3 badly required."

4 36724 At the top of page 91:

5 "And he told me that he had
6 hired Marc Lalonde to represent
7 his interests before the new
8 Liberal government."

9 36725 So you don't confine yourself to just
10 contact. You actually start telling Sheppard what at
11 your meetings he had told you; right?

12 36726 THE RIGHT HON. BRIAN MULRONEY: Yes.

13 36727 MR. WOLSON: All right. Let's read
14 on.

15 36728 COMMISSIONER OLIPHANT: Mr. Wolson,
16 if I might...?

17 36729 Mr. Mulroney, I have to ask you this
18 question and I appreciate what you have said. You said
19 if Mr. Sheppard would have asked the question about my
20 retainer with Mr. Schreiber, I would have answered it
21 truthfully but you weren't there to volunteer
22 information.

23 36730 THE RIGHT HON. BRIAN MULRONEY:

24 That's right.

25 36731 COMMISSIONER OLIPHANT: Did I have

1 that right?

2 36732 THE RIGHT HON. BRIAN MULRONEY: Yes,
3 sir.

4 36733 COMMISSIONER OLIPHANT: But here you
5 volunteered, without having been asked, that
6 Mr. Schreiber had retained Mr. Lalonde.

7 36734 THE RIGHT HON. BRIAN MULRONEY:
8 Yes...?

9 36735 COMMISSIONER OLIPHANT: Well, how do
10 you explain the difference? You are volunteering
11 information about a retainer of Mr. Lalonde, not having
12 been asked, but you don't say anything about your
13 retainer.

14 36736 THE RIGHT HON. BRIAN MULRONEY:
15 Because it was essential to the point I was making
16 about the answer I was providing, because Mr. Lalonde
17 was specifically involved, sir, as I was told, in the
18 relocation of the project to the east end of Montréal.
19 And it was in that context that I mentioned Mr. Lalonde
20 and that's why he had been hired.

21 36737 MR. WOLSON: I will read on at page
22 91.

23 36738 You tell him that Mr. Lalonde was
24 with Stikeman Elliott and you say -- I'm at line 10 on
25 page 91, sir:

1 "I wasn't really surprised
2 because the word in Ottawa is
3 that Mr. Schreiber and Mr.
4 Lalonde had had ..."

5 36739 So we have a lot of hads around here,
6 but there is another one:
7 "... had had a long relationship
8 in the past. And so he also
9 expressed the dismay with me
10 that my Government had not
11 agreed or could not include the
12 contract that he liked.
13 ... he said that he had hired
14 Mr. Lalonde and he hoped that
15 this would give rise to... to an
16 agreement."

17 36740 So you have said all that, which has
18 nothing to do with the four corners of your case;
19 right? You're just giving information.

20 36741 THE RIGHT HON. BRIAN MULRONEY: No,
21 I'm not entirely. I was in the process of answering
22 the question up until line 253, when Mr. Sheppard
23 interrupts me. I am in the process of answering his
24 question.

25 36742 He interrupts me, he says:

1 "Of Stikeman Elliot(sic)."

2 36743 And I say:

3 "Pardon me?"

4 Q- Of Stikeman Elliot(sic)."

5 36744 He says again, and I say:

6 "Of Stikeman Elliot(sic)."

7 36745 He is asking me about Stikeman

8 Elliott at this point.

9 36746 MR. WOLSON: Are you saying that if

10 he had not interrupted you, you would have gone on to

11 say: And by the way, Sheppard, I have a legitimate

12 legal commercial relationship with him?

13 36747 Would you have done that if he had

14 not interrupted you?

15 36748 THE RIGHT HON. BRIAN MULRONEY: I

16 didn't say that, sir.

17 36749 MR. WOLSON: Okay.

18 36750 THE RIGHT HON. BRIAN MULRONEY: I

19 didn't say that at all.

20 36751 I'm saying that I'm in the process of

21 answering the question and as I'm answering, I am

22 interrupted by the chief counsel for the government.

23 That's what I'm saying.

24 36752 And in answer to his question I

25 provide this information, which is entirely legitimate.

1 36753 MR. WOLSON: Then you go on, line 19.
2 This is Sheppard again:
3 "Q- When he passes through
4 Montreal and visits you, is it
5 at your office or at your home?
6 A- Well, he doesn't pass
7 through Montreal and visit me.
8 He comes... when he's on his
9 way to Montreal, he called me
10 and asked me and I say perhaps
11 once or twice, if I could come
12 to a cup... have a cup of coffee
13 with him at a hotel. I think I
14 had one in the Queen Elizabeth
15 Hotel with him."
16 36754 THE RIGHT HON. BRIAN MULRONEY: M'hm.
17 36755 MR. WOLSON: You had more than a cup
18 of coffee at the Queen Elizabeth. You had a cup of
19 coffee and you picked up \$75,000.
20 36756 THE RIGHT HON. BRIAN MULRONEY: Yes.
21 And what was the question to which I was responding?
22 36757 The question was:
23 "When he passes through Montreal
24 and visits you, is it at your
25 office or at your home?"

1 36758 That's the question. And I'm saying
2 that he doesn't call me, and so on, and we meet in
3 other circumstances.

4 36759 That, sir, was the question that I
5 was specifically -- and that's why I indicated to you
6 earlier, having read and reread this transcript many
7 times, like you, sir, that the context is particularly
8 important there.

9 36760 MR. WOLSON: So --

10 36761 THE RIGHT HON. BRIAN MULRONEY:

11 And --

12 36762 MR. WOLSON: All right, continue on.

13 36763 THE RIGHT HON. BRIAN MULRONEY: I
14 just wanted to say something to which I alluded
15 yesterday. We had tried to provide all of the
16 information to them, as you know. The government
17 dismissed Roger Tassé in a very cavalier manner, said
18 they weren't interested in talking to us,
19 notwithstanding the fact -- and I think this is germane
20 and important -- that I had offered to go to Ottawa,
21 bring every document, answer any question that they
22 wanted about my life, my entire life, and they turned
23 us down flat.

24 36764 What they did, sir, after the
25 publication of the document which caused such grief to

1 my family and me, what they did was not indicate any
2 desire to find out the truth or to settle. They kept
3 hiring more and more lawyers and spending more and more
4 time on this. The cost to me was extraordinary.

5 36765 So when I arrived at the courthouse
6 that morning and I have -- what do I see walking in?
7 Mr. Sheppard there and a party of nine lawyers
8 representing the interests of the government and
9 Sergeant Fiegenwald of the RCMP sitting right behind.

10 36766 And if you could measure it, you
11 would say that you would never have seen a more hostile
12 atmosphere. I know these people want to kill me. They
13 want to destroy my family. They have been at it for 14
14 months at that point in time.

15 36767 And what I am trying to do is to
16 respond carefully and thoughtfully to the questions
17 that I am asked.

18 36768 I am told under the circumstances you
19 are not to volunteer information, that the specificity
20 of the Québec civil code requires that; it is
21 completely defensible.

22 36769 And what we would have done, sir,
23 just so you will know, what we would have done, had I
24 been asked a question that my counsel felt was
25 egregious in the circumstances, we would have gone to

1 the judge and had the judge said notwithstanding your
2 argument, you have to answer it, I would have answered
3 any question truthfully and fully, as I would have had
4 the government accepted my invitation to come up in
5 November of 1995 and lay out for them my entire life,
6 financial, contractual and otherwise.

7 36770 MR. WOLSON: Of course you offered
8 your bank accounts, because in your bank accounts you
9 would have seen -- and I'm sure that you -- it would
10 have been absent any allegation of Airbus --

11 36771 THE RIGHT HON. BRIAN MULRONEY: Mr.
12 Wolson, I offered much more than that. The former
13 Deputy Minister of Justice of Canada and the former
14 Deputy Solicitor General of Canada went to see the
15 authorities of the police and the Justice Department
16 and said specifically I will bring him here with all
17 the documents you want and you can sit him down and
18 interrogate him for as long as you want about anything
19 in his life, anything.

20 36772 MR. WOLSON: Of course --

21 36773 THE RIGHT HON. BRIAN MULRONEY: Had
22 they asked me at that time, sir -- had they accepted
23 our invitation and asked me at that time, of course I
24 would have responded fully and truthfully. They threw
25 us out.

1 36774 MR. WOLSON: Would you have
2 volunteered the information that you had received money
3 from Schreiber in cash in hotel rooms?

4 36775 THE RIGHT HON. BRIAN MULRONEY: I
5 would have answered fully every question.

6 36776 MR. WOLSON: They wouldn't have
7 known. They couldn't have known. Nobody knew. The
8 three of you knew.

9 36777 THE RIGHT HON. BRIAN MULRONEY: But
10 at that point, had they been offering, had they been
11 accepting my offer, I would have volunteered or
12 indicated anything that was helpful.

13 36778 What I was trying to do -- I think it
14 is appropriate and human. This Letter of Request had
15 not been made public. It was floating around
16 Switzerland; we knew about it. A lot of successful
17 businessmen and bankers and what have you knew about
18 it, but that wasn't the end of the world for me. It's
19 that becoming public in such a false form.

20 36779 As far as I was concerned, I was
21 ready, for the sake of Mila and the children and
22 myself, to do anything that they wanted, provide them
23 with any information, answer any question that they
24 wanted, to preclude this becoming public, not because I
25 had done anything wrong on Airbus, but the publication

1 of it, the promulgation of it could destroy me and my
2 family.

3 36780 MR. WOLSON: Let me focus you back
4 now on some questions that I want to ask you.

5 36781 It is your evidence today here at
6 this inquiry, when you were asked about did you
7 maintain contact after you left office, with Schreiber
8 that telling the examiner that you had coffee with him
9 twice, even announcing one of the locations being the
10 Queen Elizabeth, that you were being totally fulsome,
11 forthright, telling the whole truth and nothing but the
12 truth?

13 36782 THE RIGHT HON. BRIAN MULRONEY: I was
14 truthful in answering the specific question which was:
15 "Did you maintain contact with
16 Mr. Schreiber..."

17 36783 The truthful answer to that was yes,
18 I maintained -- the untruthful answer would have been
19 no, I did not maintain.

20 36784 Another question: Did you, as a
21 result of this contact, have a business relationship of
22 any kind with Mr. Schreiber? The answer to that would
23 have been yes. But that question never came.

24 36785 MR. WOLSON: It never came because no
25 one knew about it but you and Schreiber and Doucet and

1 someone in Germany. That's why it never came.

2 36786 THE RIGHT HON. BRIAN MULRONEY: It
3 never came because, as I say, the high-priced talent
4 that had been retained by the government did not ask me
5 the question.

6 36787 MR. WOLSON: I see.

7 36788 THE RIGHT HON. BRIAN MULRONEY:
8 That's why it never came.

9 36789 MR. WOLSON: And as a former Prime
10 Minister of the country, knowing that you had a
11 business relationship, legitimate business
12 relationship, you didn't think that you should say to
13 Sheppard: And by the way, Mr. Sheppard, I have a
14 legitimate business relationship.

15 36790 You didn't think that as a former
16 Prime Minister you should do that?

17 36791 THE RIGHT HON. BRIAN MULRONEY: I
18 indicated to you exactly what I was told in no
19 circumstances from my lawyers. Answer the questions
20 truthfully, do not volunteer information.

21 36792 MR. WOLSON: All right.

22 36793 THE RIGHT HON. BRIAN MULRONEY: May I
23 just add --

24 36794 MR. WOLSON: Oh, certainly.

25 36795 THE RIGHT HON. BRIAN MULRONEY: May I

1 just say this briefly. I alluded to it earlier.

2 36796 In the circumstances that I have
3 described, in that hostile environment where they have
4 said that I am a criminal, is it your suggestion,
5 sir -- may I ask if it would be your suggestion or
6 thought that in those circumstances, after a day and a
7 half or two days of hundreds and hundreds of questions
8 and interrogation, that I had a responsibility to say
9 to Mr. Sheppard: Look, you and your fellows have had a
10 very good go at me here, you have asked me hundreds and
11 hundreds of questions over two days and we are over,
12 the session is over. Mr. Sheppard, why don't you ask
13 me the following questions? I think you kind of
14 forgot. Let me ask this question and I say to him well
15 no, that's not the right question, ask me this question
16 and let's see what I can do.

17 36797 I will tell you, sir, that I have
18 never heard -- and perhaps you have because you have
19 more experience in the courtroom than I do. I have
20 never heard in my life as a lawyer or as a company
21 president or Leader of the Opposition or Prime
22 Minister, of a situation where a lawyer would advise
23 his client to do that.

24 36798 Maybe I'm wrong. Maybe they in
25 situations do it --

1 36799 MR. WOLSON: Yes.

2 36800 THE RIGHT HON. BRIAN MULRONEY: I was
3 told to tell the truth --

4 36801 MR. WOLSON: You know, sir --

5 36802 THE RIGHT HON. BRIAN MULRONEY: --
6 and that's what I did.

7 36803 MR. WOLSON: You know, sir, I think
8 you are right. You don't have to make speeches at a
9 discovery and at the end of the day when they have had
10 their go at you.

11 36804 But my view is, with respect, and you
12 have asked me, so I will tell you, sir.

13 36805 THE RIGHT HON. BRIAN MULRONEY: M'hm.

14 36806 MR. WOLSON: My view is when you are
15 asked:
16 "Did you maintain contact with
17 Mr. Schreiber after you ceased
18 being Prime Minister?"

19 36807 And you tell the questioner I saw him
20 a couple of times for a cup of coffee and you outline
21 what happened when you had coffee, including the fact
22 that he tells you that he hired Lalonde and the fact
23 that he tells you that he is thinking of taking some
24 action, that you be fulsome and at that point you would
25 say -- or you could say, I suggest, yes, I did have a

1 relationship with him, but so be it.

2 36808 THE RIGHT HON. BRIAN MULRONEY: May I
3 say, respectfully, on this that I was asked the
4 question:

5 "Did you maintain contact..."

6 36809 And the answer was yes. And then as
7 I was digressing, to amplify it, and we get to Stikeman
8 Elliott, he interrupts me. He interrupts me and puts
9 us on a brand new tangent.

10 36810 I am in the process of answering the
11 question. It is going to be honest and it is going to
12 be direct. Mr. Sheppard interrupts my train of thought
13 and asks me another question, this time about Stikeman
14 Elliott.

15 36811 I hope you will agree, sir, that that
16 is not inappropriate behaviour in terms of trying to --
17 then I have to respond to his next question, which is
18 why I took the liberty of saying earlier that if
19 anybody with any experience in court or in the judicial
20 system reads this transcript, the first thing that you
21 are going to be struck by is the -- and as I say, with
22 respect, the completely disjointed nature of my
23 examination.

24 36812 MR. WOLSON: Well, he also asked you
25 some more questions at page 171 where he doesn't

1 interrupt you.

2 36813 At page 171, line 12, Mr. Sheppard
3 says to you:

4 "Q- ... perhaps I
5 misunderstood. When you..."

6 36814 THE RIGHT HON. BRIAN MULRONEY: I'm
7 sorry, what...?

8 36815 MR. WOLSON: I'm sorry, 171 --

9 36816 THE RIGHT HON. BRIAN MULRONEY: Yes.

10 36817 MR. WOLSON: -- approximately line 12
11 where Sheppard asks you --

12 36818 THE RIGHT HON. BRIAN MULRONEY: Yes.

13 36819 MR. WOLSON: I will just give the
14 first sentence to make sure we are together on this.

15 36820 THE RIGHT HON. BRIAN MULRONEY: Yes.

16 36821 MR. WOLSON:
17 "Q- But the... so I... perhaps
18 I misunderstood."
19 36822 Sheppard says:
20 "When you talked about having
21 coffee with Mr. Schreiber at the
22 Queen Elizabeth, it was in the
23 period subsequent to November
24 nineteen ninety-five (1995)?'
25 A- No. No, it was after I left

1 office in nineteen ninety-three
2 (1993), and that's when he told
3 me, as I indicated to you,
4 that... that he was dismayed
5 that my Government had not
6 allowed him to proceed with his
7 desire to build this Tissen(sic)
8 Project.
9 And that's when he told me that
10 he had hired Marc Lalonde to
11 represent him, because he
12 figured that Mr. Lalonde could
13 prevail upon Mr. Chrétien and
14 the Government to have this done
15 in the East end of Montreal.
16 Which, by the way, had they been
17 able to do it, I... I... I
18 thought it was a good project,
19 and so I wouldn't have been
20 critical of anything.
21 He told me he hired Mr. Lalonde
22 to do that, he told me he was
23 contemplating legal action
24 against my Government, that he
25 had hired a prominent law firm

1 in Ottawa, I think Ian Scott's
2 law firm, very distinguished
3 lawyer, to take action against
4 the... the bureaucrats in my
5 Government who, he alleged, had
6 frustrated the fact that he was
7 never able to get a deal
8 through. This deal.
9 That was the kind of
10 conversation we had.

11 Q- M'hm.

12 A- He expressed the hope that
13 Mr. Lalonde would be --"

14 36823 Let me stop you.

15 "That was the kind of
16 conversation we had."

17 36824 The conversation of course was more
18 than that. It went to the issue of money and am paying
19 you two retainers: one in Mirabel, the second one at
20 the Queen Elizabeth; true?

21 36825 THE RIGHT HON. BRIAN MULRONEY:

22 That's true, but I was responding again to a question.

23 36826 What is the question, on page 171:

24 "... perhaps I misunderstood.
25 When you talked about having

1 coffee with Mr. Schreiber at the
2 Queen Elizabeth, it was in the
3 period subsequent to November
4 nineteen ninety-five (1995)?"

5 36827 And I correct him.

6 36828 MR. WOLSON: You do --

7 36829 THE RIGHT HON. BRIAN MULRONEY: I
8 correct him.

9 36830 MR. WOLSON: -- you say '93.

10 36831 THE RIGHT HON. BRIAN MULRONEY: I
11 correct him because that is not the case. I am being
12 direct and honest with him.

13 36832 MR. WOLSON: Yes.

14 36833 THE RIGHT HON. BRIAN MULRONEY: I am
15 drawing him into 1993. He is off on a tangent in 1995
16 and I'm saying no, sir.

17 36834 MR. WOLSON: Yes...?

18 36835 THE RIGHT HON. BRIAN MULRONEY: -- it
19 is 1993. And:
20 "... it was after I left office
21 in nineteen ninety-three (1993)
22 and that's when he told me, as I
23 indicated to you, that... that
24 he was dismayed that my
25 Government had not allowed him

1 to proceed with his desire to
2 build this Tissen(sic) Project.
3 And that's when he told me that
4 he had hired Marc Lalonde to
5 represent him, because he
6 figured that Mr. Lalonde could
7 prevail upon Mr. Chrétien and
8 the Government to have this done
9 in the east end of Montreal.
10 Which, by the way, had they been
11 able to do it, I... I... I
12 thought it was a good project,
13 and so I wouldn't have been
14 critical of anything.
15 He told me he hired Mr. Lalonde
16 to do that, he told me he was
17 contemplating legal action
18 against my Government, that he
19 had hired a prominent law firm
20 in Ottawa, I think Ian Scott's
21 law firm, very distinguished
22 lawyer, to take action against
23 the... the bureaucrats in my
24 Government who, he alleged, had
25 frustrated the fact that he was

1 never able to get a deal
2 through. This deal.
3 That was the kind of
4 conversation we had."
5 36836 This is in regard to precisely what
6 he asked me about Marc Lalonde. I am in the process of
7 explaining again the matter with Lalonde and it is a
8 full and complete answer.
9 36837 I didn't tell him, sir, that is the
10 only conversation I ever had or it's the whatever.
11 36838 MR. WOLSON: He doesn't ask you, by
12 the way, about Marc Lalonde. The question is at 171:
13 "... perhaps I misunderstood.
14 When you talked about having
15 coffee with Mr. Schreiber at the
16 Queen Elizabeth..."
17 36839 THE RIGHT HON. BRIAN MULRONEY: Yes.
18 36840 MR. WOLSON:
19 "... it was in the period
20 subsequent ..."
21 36841 And you correct him on the time. But
22 see, what you --
23 36842 THE RIGHT HON. BRIAN MULRONEY: Yes,
24 I correct him on the time.
25 36843 MR. WOLSON: But what you have done,

1 sir, is you relayed to Mr. Sheppard many of the things
2 that you and Mr. Schreiber had talked about when you
3 were together at the Queen Elizabeth had when you were
4 together at the Mirabel.

5 36844 You talk to him about Lalonde, or he
6 tells you about Lalonde, he tells you about Ian Scott,
7 Schreiber does. So you give part of the picture of
8 your meeting with him but you leave out the commercial
9 relationship where money passed hands in hotel rooms.

10 36845 THE RIGHT HON. BRIAN MULRONEY: First
11 of all, I was never asked whether I had a business
12 relationship of any kind with Mr. Schreiber. Had I
13 been asked, I would have answered truthfully.

14 36846 Second, as you will see, the
15 prefatory remarks here deal exclusively with
16 Mr. Lalonde because we are talking about the meeting at
17 the Queen Elizabeth Hotel in the autumn of 1993.

18 36847 And what was that conversation about?
19 I have already testified that this was, as I said I
20 think in my testimony, a conversation where he fell in
21 love with the Liberals. And I don't mean that in a
22 partisan way.

23 36848 He was thrilled at Andre Ouellet, my
24 old law school friend, he was thrilled about Marc
25 Lalonde. I am asked about this. This is what I am in

1 the process of saying. I am beginning to describe it.
2 I get interrupted and Mr. Sheppard again changes the
3 track and then, just -- and I think he ends the
4 interrogation.

5 36849 I think it says:

6 "AND FURTHER DEPONENT SAITH
7 NOT."

8 36850 MR. WOLSON: Mr. Mulroney, I want to
9 focus you again, please. I asked you a question.

10 36851 My question was: You met, you told
11 Mr. Sheppard at this meeting that you had with
12 Schreiber at the Queen Elizabeth Hotel, and clearly
13 that is a meeting where you and I can agree that
14 Mr. Schreiber gave you \$75,000 in cash.

15 36852 Can we agree on that?

16 36853 THE RIGHT HON. BRIAN MULRONEY: Yes.

17 36854 MR. WOLSON: All right.

18 36855 My question to you is: You have
19 related to the examiner Sheppard, you have related a
20 good part of the meeting that you recounted with us
21 yesterday when your lawyer was asking you questions.
22 When your lawyer was asking you questions yesterday,
23 you didn't stop. You didn't stop at Ian Scott, the
24 distinguished lawyer and Marc Lalonde, the Liberal.

25 36856 You went on to say and then he put an

1 envelope out on the table. I took the envelope. I
2 left and I put it in my safe.

3 36857 So my question to you is: You have
4 given to the examiner only part of the story. The part
5 you haven't given is the taking of the money, which
6 was, by your account, a totally legitimate enterprise.

7 36858 THE RIGHT HON. BRIAN MULRONEY: M'hm.

8 36859 MR. WOLSON: Why not? Why didn't you
9 give the full story?

10 36860 THE RIGHT HON. BRIAN MULRONEY:

11 Because I wasn't asked the question. You and I may
12 disagree on that, sir.

13 36861 MR. WOLSON: All right.

14 36862 THE RIGHT HON. BRIAN MULRONEY: I
15 respect you for that. If you go back and look at the
16 question that I was asked, I responded to the question
17 and I am answering the question until the point where I
18 am interrupted again by Mr. Sheppard.

19 36863 MR. WOLSON: You are not interrupted
20 on page 171 and 172.

21 36864 THE RIGHT HON. BRIAN MULRONEY: Yes,
22 I -- yes, I believe I am, because there is an error in
23 this transcript at 433, which reads:

24 "A- He expressed the hope that
25 Mr. Lalonde would be successful

1 in persuading the new Liberal
2 Government to agree to
3 conditions that would enable him
4 to proceed with the project.
5 That was it."

6 36865 Talking about the Lalonde
7 conversation. And in a clear error in transcription it
8 then reads:
9 "But... so I understood you
10 well, this morning. Have you
11 had meetings with him, since
12 November..."

13 36866 That is a question, not part of my
14 answer. That was a question in this transcript.

15 36867 MR. WOLSON: Well, let's just go back
16 and --

17 36868 THE RIGHT HON. BRIAN MULRONEY:
18 And --

19 36869 MR. WOLSON: Finish off.

20 36870 THE RIGHT HON. BRIAN MULRONEY: I'm
21 sorry, I just wanted to say simply to assure you that
22 that interruption is not evident, I will recognize.

23 36871 MR. WOLSON: No.

24 36872 THE RIGHT HON. BRIAN MULRONEY: But
25 it's there.

1 36873 MR. WOLSON: And that is a good
2 point. I appreciate you making it, because let's go
3 back to your answer.

4 36874 You say at line 11, 172:
5 "That was the kind of
6 conversation we had."

7 36875 Sheppard says:
8 "M'hm."

9 36876 And you say:
10 "A- He expressed the hope that
11 Mr. Lalonde would be successful
12 in persuading the new Liberal
13 Government to agree to
14 conditions that would enable him
15 to proceed with the project.
16 That was it."

17 36877 You stop there.
18 "That was it."

19 36878 And then Sheppard asks you the
20 question that you most properly pointed out. That's
21 it. But it's not it.

22 36879 What it is, that after you and he
23 talked about Lalonde, talked about Ian Scott, a
24 business transaction took place where you are given
25 cash in envelopes. That would be the complete story of

1 that meeting or the complete story of the meeting at
2 Mirabel Hotel.

3 36880 Do you agree or disagree?

4 36881 THE RIGHT HON. BRIAN MULRONEY: I
5 disagree.

6 36882 MR. WOLSON: You disagree, all right.

7 36883 THE RIGHT HON. BRIAN MULRONEY: "That
8 was it" refers specifically to the conversation and the
9 work that Mr. Lalonde was trying to do, which was the
10 way I began the conversation and the answer and that
11 this dealt with that Lalonde role.

12 36884 And it is at that point, while I am
13 answering, he jumps again:

14 "... so I understood you well,
15 this morning. Have you had
16 meetings with him, since
17 November..."

18 36885 And I begin to answer that and he
19 ends the interrogation.

20 36886 I answered the question honestly. I
21 am referring clearly in this answer to the question and
22 the development of the answer in regard to what was
23 most important to Mr. Schreiber at that meeting and I
24 have already testified to that.

25 36887 I told you that when I reported to

1 him on my trip to China, he appeared to lack a great
2 deal of enthusiasm for any detail. And the reason is,
3 I tried to tell you, sir, he had fallen in love with
4 the Liberals, Marc Lalonde and Andre Ouellet in
5 particular and the east end of Montréal.

6 36888 That was the thrust of his interest.

7 36889 I am responding to the question in
8 that light. That is the answer and the answer is
9 complete in that regard and truthful.

10 36890 Had -- had I then been asked, rather
11 than the adjournment and the end of the
12 interrogation -- had I been asked the question, sir,
13 that you properly put, I would have answered truthfully
14 and correctly at all times.

15 36891 MR. WOLSON: How would they have
16 known about it? Money was put not in bank accounts --

17 36892 THE RIGHT HON. BRIAN MULRONEY: No.

18 36893 MR. WOLSON: Just hold on, sir.

19 36894 Money was put not in bank accounts
20 but in safes, squirrelled away. There were no
21 documentation. There is no evidence of it except for
22 you, and you weren't talking; Mr. Schreiber, and he at
23 that time wasn't talking; and Mr. Doucet, and he
24 certainly wasn't talking; and perhaps somebody in
25 Germany that no one knew about.

1 36895 THE RIGHT HON. BRIAN MULRONEY: Do
2 you accept the fact that in these circumstances that
3 there was an entirely appropriate vehicle for him to
4 ascertain this? Ask me the question and I will give
5 you the truthful answer.

6 36896 I was not -- I was not, I think it is
7 fair for me to say this. I was not asked any question
8 as simple as the following: All right, Mr. Mulroney,
9 you had this stuff, you were back in business, and so
10 on. You have to earn a living. Did you have a
11 commercial relationship of any kind with Mr. Schreiber?

12 36897 The answer would have been yes and I
13 would have described it in detail.

14 36898 I received no such question.

15 36899 MR. WOLSON: And it seems to me, sir,
16 with due respect, when you tell the examiner I met him
17 once or twice for coffee, the examiner would, I think,
18 properly understand, coming from a former Prime
19 Minister of Canada, that when you answer I met him once
20 or twice for coffee, that that was it.

21 36900 THE RIGHT HON. BRIAN MULRONEY: No,
22 sir. That was in regard to a direct question: Did you
23 maintain contact with him? Yes, I did. I met him once
24 or twice for coffee. That was the maintenance of the
25 contact.

1 36901 What about the next question? All
2 right, in the course of those contacts did you develop
3 anything? There was no such question, from the nine of
4 them sitting there and taking me on all day long for
5 almost two days.

6 36902 There were hundreds of questions, as
7 Mr. Kaplan has properly pointed out, hundreds of
8 questions in this and not one did they ever raise the
9 question that you and I are considering, sir.

10 36903 MR. WOLSON: I am going to raise one
11 other point with you and then we will perhaps take a
12 break, because we have been at it for a while.

13 36904 I want to raise this point with you.

14 36905 Mr. Kaplan, when he testified --
15 because you say that the rule in Québec is that it is
16 in the four corners and that's all that a questioner
17 can ask before plea in the arrangement that was
18 happening at the Palais de Justice.

19 36906 So what Mr. Kaplan reports you saying
20 to him in his testimony -- for those that want to know
21 where it can be found, it is at page 1807, line 15 of
22 the transcript.

23 36907 I will read it to you, Mr. Mulroney.

24 36908 You say to Kaplan --

25 36909 THE RIGHT HON. BRIAN MULRONEY:

1 Excuse me, is there a copy of that?

2 36910 MR. WOLSON: I can provide one to
3 you.

4 36911 THE RIGHT HON. BRIAN MULRONEY: I
5 would like to have one, if I may.

6 36912 COMMISSIONER OLIPHANT: One thing
7 that I want to ask you.

8 36913 When you talked -- two things --
9 about nine lawyers, and you have mentioned that more
10 than once.

11 36914 THE RIGHT HON. BRIAN MULRONEY: Yes.

12 36915 COMMISSIONER OLIPHANT: Did each of
13 these nine lawyers have a crack at you or was it just
14 Mr. Sheppard?

15 36916 THE RIGHT HON. BRIAN MULRONEY: No,
16 it was principally they were -- I assume they were all
17 associated in some way. There was a group representing
18 the RCMP and that was headed by a senior lawyer in
19 Montréal. Sheppard appeared to be the chief government
20 representative and I believe another agency of
21 government was represented. The RCMP was represented.

22 36917 I'm not sure how they divided it up,
23 but the two -- I think I was interrogated principally
24 by two or three people, mostly Mr. Sheppard.

25 36918 COMMISSIONER OLIPHANT: Okay. The

1 other thing that I just want to ask you about, when you
2 were describing the atmosphere in the room -- and I
3 have some appreciation for how you must have felt, but
4 you sort of complained about the fact that Fiegenwald
5 was sitting there.

6 36919 THE RIGHT HON. BRIAN MULRONEY: Yes.

7 36920 COMMISSIONER OLIPHANT: You named him
8 as a defendant. He was entitled to be there, was he
9 not?

10 36921 THE RIGHT HON. BRIAN MULRONEY: I'm
11 not complaining about it --

12 36922 COMMISSIONER OLIPHANT: Okay.

13 36923 THE RIGHT HON. BRIAN MULRONEY: -- in
14 any way, sir, but that was the first time that I had
15 seen him. We had found out, and then subsequently
16 established, that part of the reason that the case was
17 aborted was that Mr. Fiegenwald was communicating with
18 Ms Stevie Cameron, unbeknownst to anybody. And that's
19 why in part this thing went off the rails for the
20 government.

21 36924 COMMISSIONER OLIPHANT: But you don't
22 disagree that he was entitled to be there as a party to
23 the action?

24 36925 THE RIGHT HON. BRIAN MULRONEY: Oh,
25 absolutely. Yes, I was pleased that he was there.

1 36926 COMMISSIONER OLIPHANT: You were?
2 36927 THE RIGHT HON. BRIAN MULRONEY: Yes,
3 because I wanted --
4 36928 COMMISSIONER OLIPHANT: I got the
5 impression that you felt that it was sort of piling on.
6 36929 THE RIGHT HON. BRIAN MULRONEY: Oh.
7 Well, it was -- the lawyers were --
8 36930 COMMISSIONER OLIPHANT: I know that
9 you watch football so you know what I mean.
10 36931 THE RIGHT HON. BRIAN MULRONEY: The
11 lawyers with the question was piling on,
12 Mr. Commissioner.
13 36932 COMMISSIONER OLIPHANT: Okay.
14 36933 THE RIGHT HON. BRIAN MULRONEY: But I
15 was, as I say, pleased to see him there for a perverse
16 reason, in the sense that he had an opportunity to see
17 for the first time how false the information was upon
18 which he had acted, the way he was misled by Stevie
19 Cameron and by Giorgio Pelossi, which allowed him to
20 send that travesty.
21 36934 And I was pleased that he was able to
22 see that.
23 36935 MR. WOLSON: As a matter of fact, I
24 think what you said at one point in the discovery was
25 you were looking forward to your lawyers getting some

1 of these people on the stand --

2 36936 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 36937 MR. WOLSON: -- to get to the truth.

4 36938 THE RIGHT HON. BRIAN MULRONEY: Yes.

5 36939 MR. WOLSON: All right.

6 36940 Now I am going to read to you from

7 Mr. Kaplan's testimony at page 1807. It's testimony

8 that was given on April 23, 2009 and I now have

9 Mr. Pratte's copy. He was kind enough to give it to me

10 and I'm not going to give it back to Mr. Pratte.

11 36941 COMMISSIONER OLIPHANT: Would

12 somebody give Mr. Pratte a copy now?

13 36942 MR. WOLSON: Actually, I can tell you

14 as well that it is found in the Kaplan binder or tabs

15 that we filed, so I can -- I will read it accurately

16 and then I will give it to Mr. Pratte.

17 36943 And he will know better not to give

18 me anything again.

19 36944 Page 1807 where Mr. Kaplan has you

20 saying the following, Mr. Mulroney, at line 15:

21 "Don't forget..."

22 36945 And this is an interview that

23 Mr. Kaplan has with you in October. I will just get

24 you the date. I think it is October 12th, but just

25 bear with me for one moment.

1 36946 It is October 12, 2003. You will
2 recall, Mr. Mulroney, around October of 2003 Mr. Kaplan
3 and you have had a series of conversations that he
4 purports -- you may have a different view of it -- that
5 he purports leading up to an article that was published
6 by him on November the 10th, I think, of 2003.

7 36947 So that's the context of it.

8 36948 THE RIGHT HON. BRIAN MULRONEY: Yes.
9 There were four articles that were to have been
10 published and the Globe only published three --

11 36949 MR. WOLSON: Yes. But the last of
12 the three --

13 36950 THE RIGHT HON. BRIAN MULRONEY: --
14 leaving out a major one.

15 36951 MR. WOLSON: Yes. The last of the
16 three --

17 36952 THE RIGHT HON. BRIAN MULRONEY: Yes.

18 36953 MR. WOLSON: -- and, you know, I
19 don't have an affinity to the media myself, so I can
20 tell you --

21 36954 THE RIGHT HON. BRIAN MULRONEY: I'm
22 sorry to hear that --

23 36955 MR. WOLSON: Yes.

24 36956 THE RIGHT HON. BRIAN MULRONEY: -- I
25 love them.

1 36957 MR. WOLSON: Yes.

2 36958 THE RIGHT HON. BRIAN MULRONEY: And
3 it is reciprocated.

4 36959 MR. WOLSON: I see. Having said
5 that -- and I think it's important that you get off the
6 stand for a little while and get a little bit of a
7 break -- I just want to read to you this comment that
8 you are attributed and it is suggested by Mr. Kaplan
9 that you made.

10 36960 Again, it is October of '03, line 15,
11 where you say to him, Mr. Kaplan, and I read it from
12 the binder:

13 "Don't forget that I am the one
14 who sued the Government of
15 Canada. I was fully aware that
16 in the Province of Quebec they
17 have the right to interrogate
18 you on discovery before
19 production of a plea. I knew
20 that my full life was open for
21 an interrogation."

22 36961 Did you make that statement to
23 Mr. Kaplan?

24 36962 THE RIGHT HON. BRIAN MULRONEY: Very
25 probably, yes. Within the parameters of the Code of

1 Civil Procedure of Québec.

2 36963 MR. WOLSON: My full life was on
3 display.

4 36964 THE RIGHT HON. BRIAN MULRONEY: Mr.
5 Wolson, I said in the answer:

6 "I was fully aware that in the
7 Province of Quebec they have the
8 right to interrogate you on
9 discovery before production of a
10 plea. I knew that my full life
11 was open for an interrogation."

12 36965 Within the confines of the
13 examination before plea which, as I have said, is
14 unique to the province.

15 36966 MR. WOLSON: Of course it doesn't say
16 that in the quote because that is not what Mr. Kaplan
17 took from you.

18 36967 THE RIGHT HON. BRIAN MULRONEY: Well,
19 he may not have taken it, but to me it is very implicit
20 that that is the case.

21 36968 He may have -- he may not have fully
22 appreciated the importance of the nuance because he is
23 a common law lawyer and this is unique to the Civil
24 Code in the province of Québec. I don't blame him for
25 that at all.

1 36969 MR. WOLSON: On that note, maybe you
2 will have a bite to eat and we will come back at 2:00?
3 36970 COMMISSIONER OLIPHANT: Yes, that's
4 fine.
5 36971 We will take a break for lunch and
6 come back at 2 o'clock this afternoon.
7 36972 I am going to remain here for a
8 couple of minutes and I would just invite folks to
9 leave. I am suffering from a bit of a disability, as
10 you might have noticed, walking, and I have a bad knee.
11 Last night there was a false alarm in the apartment
12 where I live and I walked down 20 stories so I am
13 suffering a bit today.
14 36973 So feel free just to get up and take
15 the luncheon break. Don't wait for me to leave.
16 --- Upon recessing at 12:17 p.m. / Suspension à 12 h 17
17 --- Upon resuming at 2:05 p.m. / Reprise à 14 h 05
18 36974 COMMISSIONER OLIPHANT: Be seated,
19 please.
20 36975 Mr. Wolson...?
21 36976 MR. WOLSON: Thank you, sir.
22 36977 Mr. Mulroney, I just have a few more
23 questions on the examination on discovery. You won't
24 need your book for them; they are just basic questions.
25 At least I don't think you need the book for them, but

1 you have it there in any event.

2 36978 You would agree with me that when you
3 were being examined by Mr. Sheppard, while he may not
4 have known about your lawful commercial relationship
5 with Mr. Schreiber, you certainly did, obviously.

6 36979 THE RIGHT HON. BRIAN MULRONEY: Yes.

7 36980 MR. WOLSON: You knew that
8 Mr. Sheppard was asking you, at a series of questions,
9 for your relationship with Mr. Schreiber after you had
10 left office.

11 36981 THE RIGHT HON. BRIAN MULRONEY: I'm
12 not sure he asked me that question, sir.

13 36982 MR. WOLSON: Well, I am going to
14 suggest to you that when he talked about contact with
15 Mr. Schreiber, in effect having regard to the other
16 questions that he had asked you about your
17 continuing -- the continuum of your relationship with
18 Mr. Schreiber, that he was talking about your -- well,
19 let's leave it at that, contacts with Mr. Schreiber.

20 36983 You knew that.

21 36984 THE RIGHT HON. BRIAN MULRONEY: The
22 question was did you maintain contact --

23 36985 MR. WOLSON: Yes.

24 36986 THE RIGHT HON. BRIAN MULRONEY: --
25 with Mr. Schreiber. And the truthful answer to that,

1 sir, was yes, which is what I said.

2 36987 MR. WOLSON: I appreciate you said
3 it. You know, I can understand why perhaps you didn't
4 tell Mr. Sheppard about the relationship you had with
5 Schreiber because it would have been like putting
6 gasoline on a fire. But I don't understand why you
7 can't admit that you simply didn't tell him for that
8 reason, because it would have just spread like wildfire
9 this poisonous atmosphere that existed.

10 36988 THE RIGHT HON. BRIAN MULRONEY: When
11 you say that you can understand why I didn't tell him,
12 the answer is not what you suggested.

13 36989 MR. WOLSON: Okay.

14 36990 THE RIGHT HON. BRIAN MULRONEY:
15 Although I would like to comment briefly on that.

16 36991 The answer is that he never asked me
17 the question.

18 36992 MR. WOLSON: All right.

19 36993 THE RIGHT HON. BRIAN MULRONEY: Now,
20 will I accept the second part of your statement? Yes,
21 sir.

22 36994 In other words, was the atmosphere
23 that I described this morning, the meetings with the
24 Justice Department and the RCMP, the hostility, the
25 refusal of the government to deal with us, the nine

1 lawyers sitting there trying to -- out to crush me and
2 my family, this was not conducive to a friendly -- at
3 that point 14 months later, to a friendly exchange of
4 information or compromise.

5 36995 MR. WOLSON: All right.

6 36996 THE RIGHT HON. BRIAN MULRONEY: I was
7 fighting for my life and the honour of my family --

8 36997 MR. WOLSON: All right.

9 36998 THE RIGHT HON. BRIAN MULRONEY: --
10 and I was confronted by a huge government apparatus,
11 spending unlimited sums of money to do me in. And I
12 answered their questions truthfully, but I hope you
13 will agree eventually, sir, that there was no
14 obligation on me to volunteer beyond that.

15 36999 MR. WOLSON: I suppose at the end of
16 the day it is not what I agree with, because I am
17 somewhat immaterial after asking these questions.

18 37000 But I want to move on now to another
19 area.

20 37001 THE RIGHT HON. BRIAN MULRONEY: M'hm.

21 37002 MR. WOLSON: Did you have a
22 friendship with Karlheinz Schreiber?

23 37003 THE RIGHT HON. BRIAN MULRONEY: I had
24 an acquaintanceship with Karlheinz Schreiber and not --
25 well, perhaps we are saying the same thing. I was

1 about to say not an unfriendly one.

2 37004 MR. WOLSON: All right. Did this

3 friendship commence prior to your being Prime Minister?

4 37005 THE RIGHT HON. BRIAN MULRONEY: No.

5 37006 MR. WOLSON: You see, I'm having

6 trouble understanding. And again, you don't have to go

7 there because you were referred to this before, but in

8 Book 4 of Mr. Schreiber's materials at Tab 1 --

9 37007 THE RIGHT HON. BRIAN MULRONEY: May I

10 just --

11 37008 MR. WOLSON: Oh, for sure.

12 37009 THE RIGHT HON. BRIAN MULRONEY: --

13 look it up, please?

14 37010 MR. WOLSON: Absolutely. It is Book

15 4.

16 37011 THE RIGHT HON. BRIAN MULRONEY: Yes.

17 37012 MR. WOLSON: That is the book at the

18 front that says "Correspondence between" --

19 37013 THE RIGHT HON. BRIAN MULRONEY: Yes,

20 I have it here.

21 37014 MR. WOLSON: -- you and Schreiber.

22 37015 THE RIGHT HON. BRIAN MULRONEY: Yes.

23 37016 MR. WOLSON: And what it is, it is a

24 telegram.

25 37017 THE RIGHT HON. BRIAN MULRONEY: Yes.

1 37018 MR. WOLSON: And it is a telegram
2 where you say to Mr. Schreiber:
3 "Congratulations and best wishes
4 on this important and first day
5 of your new relationship with
6 our country. It is a pleasure
7 to welcome you to Canada."
8 37019 THE RIGHT HON. BRIAN MULRONEY: Yes.
9 37020 MR. WOLSON: And it's not signed, but
10 it is your name.
11 37021 THE RIGHT HON. BRIAN MULRONEY:
12 That's right.
13 37022 MR. WOLSON: And you send it to the
14 Ritz Carlton, because obviously you were told that
15 Schreiber was at the Ritz Carlton.
16 37023 THE RIGHT HON. BRIAN MULRONEY: I
17 would have been told more than that. I would have been
18 asked to send this telegram, which would have been
19 prepared for me by whomever initiated the exercise,
20 Frank Moores or Bob Coates or one of his friends and
21 associates at the time.
22 37024 I certainly, as I have acknowledged,
23 no doubt ran into him somewhere. I would have been
24 introduced to him: Hello, this is Mr. Schreiber, and
25 so on. And then a call from perhaps Frank Moores

1 saying simply look, he got his citizenship. If I sent
2 over a draft, would you consider sending it to him as a
3 courtesy?

4 37025 Indeed, I would be happy to do it.

5 37026 MR. WOLSON: All right. Let me ask
6 you just a couple of questions about that. He
7 testified to it so I have to put this to you.

8 37027 THE RIGHT HON. BRIAN MULRONEY: Yes.
9 Sure.

10 37028 MR. WOLSON: He said that he met you
11 at the Ritz Carlton. Now, he suggested a number of
12 times. I cross-examined him on it. Frankly, you may
13 have seen that.

14 37029 THE RIGHT HON. BRIAN MULRONEY: M'hm.

15 37030 MR. WOLSON: But let me ask you if
16 you recall this. Did you meet with him at the Ritz
17 Carlton and perhaps shoot the breeze with him?

18 37031 THE RIGHT HON. BRIAN MULRONEY: I
19 have no recollection of it whatever, although if
20 someone else has testified to having been there with me
21 and introduced me, I will readily acknowledge it.

22 37032 MR. WOLSON: All right.

23 37033 THE RIGHT HON. BRIAN MULRONEY:
24 Because at that point in time I was very active in
25 Montréal, very active in the business community, I

1 think, very active in the Progressive Conservative
2 Party, and there was talk about Leadership Reviews and
3 conventions and all of that.

4 37034 So sure I could have run into him.

5 37035 MR. WOLSON: All right.

6 37036 THE RIGHT HON. BRIAN MULRONEY: But
7 if you are asking me whether I remember it, the answer
8 is no.

9 37037 MR. WOLSON: Okay. Fair enough.

10 37038 I can understand when you are the
11 Prime Minister and Mr. Pratte asked you about one of
12 the meetings at the Queen Elizabeth --

13 37039 THE RIGHT HON. BRIAN MULRONEY: Yes.

14 37040 MR. WOLSON: -- whether having been
15 Prime Minister, all the notoriety that goes with it,
16 and I think you made some remarks, but the intent of
17 the remark was sure, you are recognized.

18 37041 THE RIGHT HON. BRIAN MULRONEY: M'hm.

19 37042 MR. WOLSON: In 1982, at the time of
20 this telegram -- I'm not demeaning what you were doing
21 in 1982. You were with Iron Ore?

22 37043 THE RIGHT HON. BRIAN MULRONEY: I
23 wish the -- in 1982 I was President of the Iron Ore
24 Company of Canada.

25 37044 MR. WOLSON: All right.

1 37045 THE RIGHT HON. BRIAN MULRONEY: And I
2 had been an unsuccessful candidate --

3 37046 MR. WOLSON: Yes, I heard that.

4 37047 THE RIGHT HON. BRIAN MULRONEY: --
5 for the leadership of the party.

6 37048 MR. WOLSON: I heard that. I
7 remember that, quite frankly. I am that old.

8 37049 THE RIGHT HON. BRIAN MULRONEY: Yes.

9 37050 MR. WOLSON: But I see this telegram.

10 37051 THE RIGHT HON. BRIAN MULRONEY: Yes.

11 37052 MR. WOLSON: And at the time what
12 would be the significance of somebody asking you to
13 send -- I mean, at the time you are a citizen, not --
14 you had a prominent position, no question, but you are
15 a citizen of the country.

16 37053 Did you often send telegrams like
17 these to people when you were President of Iron Ore?

18 37054 THE RIGHT HON. BRIAN MULRONEY: Yes,
19 I sent letters of various kinds like this.

20 37055 MR. WOLSON: All right.

21 37056 THE RIGHT HON. BRIAN MULRONEY: The
22 reason probably was that as you can imagine -- and I
23 don't think I would be misstating it -- if you have
24 been out of power for 16 years and you win an election,
25 as we did in 1979, and we lose power after nine months,

1 this is not the most pleasant thing that has ever
2 happened to a political party. And so, as you know,
3 the talk of Leadership Review and everything was
4 around, and I was frequently mentioned in the
5 speculation across the country as perhaps someone who
6 might run; and if he ran, perhaps he could win, that
7 kind of thing.

8 37057 So apart from whatever I was doing in
9 a more low-key way with the Iron Ore Company, I was
10 constantly in that other political vein, whether I
11 wanted it or not.

12 37058 MR. WOLSON: Sure.

13 37059 THE RIGHT HON. BRIAN MULRONEY: So I
14 was frequently asked because of that to do things, to
15 make speeches --

16 37060 MR. WOLSON: Yes.

17 37061 THE RIGHT HON. BRIAN MULRONEY: -- to
18 write letters and so on.

19 37062 MR. WOLSON: All right. You were
20 thinking ahead.

21 37063 THE RIGHT HON. BRIAN MULRONEY: Yes.
22 And I will acknowledge that some people were thinking
23 ahead perhaps a little more than I was.

24 37064 MR. WOLSON: All right. Now, would
25 you have had a close relationship with Schreiber at any

1 time?

2 37065 THE RIGHT HON. BRIAN MULRONEY: No.

3 37066 MR. WOLSON: You talked, I think it

4 was yesterday, about your relationship with Elmer

5 MacKay.

6 37067 THE RIGHT HON. BRIAN MULRONEY: Yes.

7 37068 MR. WOLSON: You had admiration and

8 respect for him?

9 37069 THE RIGHT HON. BRIAN MULRONEY: Yes.

10 37070 MR. WOLSON: You were grateful to him

11 for what he had done in providing you a seat?

12 37071 THE RIGHT HON. BRIAN MULRONEY: Very

13 much so.

14 37072 MR. WOLSON: And you liked and

15 trusted his judgment?

16 37073 THE RIGHT HON. BRIAN MULRONEY: Yes,

17 I did.

18 37074 MR. WOLSON: You knew he was a friend

19 of Mr. Schreiber's?

20 37075 THE RIGHT HON. BRIAN MULRONEY: Yes,

21 I did.

22 37076 I'm sorry, perhaps not at that time.

23 37077 MR. WOLSON: Okay.

24 37078 THE RIGHT HON. BRIAN MULRONEY: At

25 that time, as I look back on it -- we are talking '82

1 now?

2 37079 MR. WOLSON: No. Let's go forward
3 to -- let's go forward to when you were Prime Minister.

4 37080 When you were Prime Minister, I'm
5 assuming all the things you have said about Elmer
6 MacKay are true from early days and remain that way
7 today.

8 37081 THE RIGHT HON. BRIAN MULRONEY:
9 Absolutely.

10 37082 MR. WOLSON: All right. Karlheinz
11 Schreiber, when you were Prime Minister did you have a
12 close friendship with him?

13 37083 THE RIGHT HON. BRIAN MULRONEY: No.

14 37084 MR. WOLSON: Okay. But you knew
15 that -- maybe you didn't, but let me ask you. Did you
16 know that he was a friend of Mr. -- MacKay was a friend
17 of Schreiber's?

18 37085 THE RIGHT HON. BRIAN MULRONEY: Yes,
19 I knew that.

20 37086 MR. WOLSON: When Elmer MacKay
21 testified, he, too, said that he had great affection
22 and gratitude toward you.

23 37087 That's not surprising, you had a nice
24 friendship with him.

25 37088 THE RIGHT HON. BRIAN MULRONEY: It

1 was strongly reciprocated.

2 37089 MR. WOLSON: I am going to read from
3 his testimony on May the 4th of '09, at page 2822, line
4 1.

5 37090 Mr. Roitenberg, my colleague, says to
6 Mr. MacKay:

7 "Would it be fair to say that
8 you have observed, over the
9 years, that while you remained
10 friends with both parties..."

11 37091 He is talking about you and Mr.

12 Schreiber:

13 "...their relationship seems to
14 have, at times, deteriorated?"

15 37092 Mr. MacKay answers, at line 5:

16 "Yes, it vacillated. At times
17 they appeared to be quite close,
18 but then, later on, the
19 relationship deteriorated."

20 37093 Is that an accurate observation by

21 Mr. MacKay?

22 37094 THE RIGHT HON. BRIAN MULRONEY:

23 Certainly an unintentional one, because what he
24 probably -- what he may have meant was closer than it
25 otherwise really was. That's possible.

- 1 37095 Look, I first met -- I first remember
2 meeting Mr. Schreiber somewhere in the '86, '87 -- and
3 he was really associated at the time with two things:
4 the project and Elmer MacKay. That was my
5 understanding of it.
- 6 37096 Now, that's where it started. I
7 mean, we can go back to '81 or '82; my recollection is
8 somewhere in '86, '87, when I began to see him with
9 Elmer, for an extended period of time.
- 10 37097 MR. WOLSON: All right. Let me,
11 then, ask you, as you are Prime Minister, you have who
12 you describe to be --
- 13 37098 You described Mr. Tellier.
- 14 37099 THE RIGHT HON. BRIAN MULRONEY: Yes.
- 15 37100 MR. WOLSON: And you described him as
16 one of the greatest civil servants.
- 17 37101 THE RIGHT HON. BRIAN MULRONEY:
18 Absolutely, yes.
- 19 37102 MR. WOLSON: You would speak to him
20 every day, in the morning?
- 21 37103 THE RIGHT HON. BRIAN MULRONEY: I
22 would meet every morning with him, and we would meet
23 during the day, and often the last call that I would
24 make from 24 Sussex at the end of the day, around 11
25 o'clock, would be to Paul at home, just to check on

1 things we had left undone and what we had to do the
2 next morning.

3 37104 MR. WOLSON: And you had confidence
4 in him -- the utmost confidence.

5 37105 THE RIGHT HON. BRIAN MULRONEY:
6 Complete.

7 37106 MR. WOLSON: He, you felt, would
8 watch your back, no question.

9 37107 THE RIGHT HON. BRIAN MULRONEY:
10 Absolutely.

11 37108 MR. WOLSON: If there were trouble
12 brewing, he would be telling you about it, if he knew.

13 37109 THE RIGHT HON. BRIAN MULRONEY: Yes.

14 37110 MR. WOLSON: If there were people
15 that you shouldn't be associating with, Mr. Tellier
16 would tell you.

17 37111 He wouldn't, I am sure, tell you --
18 he wouldn't tell you what to do, but he would tell you
19 if he saw trouble.

20 37112 THE RIGHT HON. BRIAN MULRONEY: Yes,
21 although he never -- Mr. Tellier was the number one
22 public servant. His area of expertise and activity was
23 essentially in regard to matters of public policy.

24 37113 The PMO, with Mr. Burney -- Derek
25 Burney -- was also responsible for similar matters, but

1 on the more political side.

2 37114 Yeah, I think, between the two of
3 them, you would have a pretty good roundup.

4 37115 MR. WOLSON: These two gentlemen --
5 and I am talking about Mr. Tellier for now -- he is the
6 kind of man that would protect you --

7 37116 THE RIGHT HON. BRIAN MULRONEY: Yes.

8 37117 MR. WOLSON: -- in the sense of
9 making sure that, if somebody were out to harm you, he
10 would tell you. He would tell you to watch yourself,
11 or something along those lines.

12 37118 That's something he would do.

13 37119 THE RIGHT HON. BRIAN MULRONEY: Yes.

14 37120 MR. WOLSON: And you would trust his
15 judgment.

16 37121 THE RIGHT HON. BRIAN MULRONEY: Well,
17 I would certainly -- I would have to see what it was.
18 I mean, I would have to be the ultimate -- you know,
19 make the ultimate determination on matters, but I would
20 very much appreciate and respect his opinion.

21 37122 MR. WOLSON: All right. Now, I want
22 to ask you about some other names.

23 37123 Gary Ouellet -- what was your
24 relationship with Gary Ouellet?

25 37124 THE RIGHT HON. BRIAN MULRONEY: Gary

1 Ouellet was a lawyer in Quebec City, who --

2 37125 MR. WOLSON: Was he a friend?

3 37126 THE RIGHT HON. BRIAN MULRONEY: Yes,

4 he was.

5 37127 MR. WOLSON: A good friend?

6 37128 THE RIGHT HON. BRIAN MULRONEY: Gary

7 was a good friend.

8 37129 MR. WOLSON: Okay, and your

9 friendship went back with him a long ways?

10 37130 THE RIGHT HON. BRIAN MULRONEY: He

11 was much behind me -- he was much younger than I was in

12 law school, but I liked him a lot. He was a wonderful

13 fellow, with a great young family.

14 37131 MR. WOLSON: He worked with -- he was

15 one of the principals of GCI -- Government Consultants

16 International?

17 37132 THE RIGHT HON. BRIAN MULRONEY: Yes,

18 I believe he was.

19 37133 MR. WOLSON: Gerry Doucet, you said

20 the other day, was, really, how you met Fred. Gerry

21 was, I take it, more of your contemporary?

22 37134 THE RIGHT HON. BRIAN MULRONEY: Gerry

23 was a year ahead of me at St. F.X., and I think that

24 Fred was one, or perhaps two years behind me at St.

25 F.X.

1 37135 Gerry was kind of the leader of a
2 very distinguished and worthy family of Acadians from
3 Grand Etang.

4 37136 MR. WOLSON: A good friend?

5 37137 THE RIGHT HON. BRIAN MULRONEY: A
6 good friend in Gerry, yeah.

7 37138 MR. WOLSON: And Fred Doucet.

8 37139 Fred Doucet testified here that he
9 was a very longstanding friend of yours, that you could
10 confide in him, and he in you.

11 37140 True statement?

12 37141 THE RIGHT HON. BRIAN MULRONEY:
13 Absolutely.

14 37142 MR. WOLSON: As a matter of fact,
15 there was an article written a long time ago in the
16 Toronto -- I think it was in The Star.

17 37143 It's at Tab 9 of Book 1.

18 37144 I will read you two quotes, and this
19 is one attributable to you.

20 37145 The title is "Mulroney's top advisor
21 'an intensely loyal man' who learned from PM."

22 37146 Do you see that?

23 37147 THE RIGHT HON. BRIAN MULRONEY: Yes.

24 37148 MR. WOLSON: You are quoted here as
25 saying:

1 37159 THE RIGHT HON. BRIAN MULRONEY: --
2 and loyalty and skill. If he is asked to do something,
3 he always does it to the best of his ability.

4 37160 MR. WOLSON: Just flip the page to
5 page 2 of the article. Now they are quoting Fred's
6 brother Gerry. About the third paragraph in it reads:
7 "...Fred is intensely loyal to
8 Mulroney...They seem to know
9 each other's thinking just by
10 body language."

11 37161 His brother is talking about the kind
12 of relationship that, obviously, doesn't come along
13 every day. You have a very strong bond with Fred.

14 37162 THE RIGHT HON. BRIAN MULRONEY: Yes.
15 We are talking, I think --

16 37163 Was this when I was in Opposition?

17 37164 MR. WOLSON: '87 this is.

18 37165 THE RIGHT HON. BRIAN MULRONEY: He
19 was my chief of staff in Opposition, in '83.

20 37166 MR. WOLSON: But that kind of bond
21 and that kind of relationship is ongoing. You and he
22 are --

23 37167 THE RIGHT HON. BRIAN MULRONEY: Yeah,
24 sure.

25 37168 MR. WOLSON: -- close friends.

1 37169 THE RIGHT HON. BRIAN MULRONEY: Sure.

2 37170 MR. WOLSON: Did you know that in

3 1988, November, when the UIP was signed, he was just

4 out of government -- I think he left on August 16th,

5 1988. Did you know that he received a cheque for

6 \$90,000 when the UIP was signed --

7 37171 THE RIGHT HON. BRIAN MULRONEY: No, I

8 did not.

9 37172 MR. WOLSON: -- the Bear Head UIP?

10 37173 Did you know that Gary Ouellet

11 received a cheque, also around the same time, November

12 of '88, just a few months after the Understanding in

13 Principle on Bear Head was signed?

14 37174 Did you know that?

15 37175 THE RIGHT HON. BRIAN MULRONEY: No, I

16 did not.

17 37176 MR. WOLSON: Did you know that Gerry

18 Doucet received a cheque for \$90,000?

19 37177 When I say received a cheque, all

20 from Mr. Schreiber or one of his companies, Bitucan.

21 37178 Did you know that Gerry received a

22 cheque for \$90,000?

23 37179 THE RIGHT HON. BRIAN MULRONEY: No, I

24 did not.

25 37180 MR. WOLSON: Did you know that Frank

1 Moores received a cheque for \$90,000?

2 37181 THE RIGHT HON. BRIAN MULRONEY: No, I
3 did not.

4 37182 MR. WOLSON: And that Gary Ouellet,
5 Gerry Doucet and Frank Moores, who were all principals
6 of GCI, received a further \$250,000 in and around
7 November of '88, after the signing of the Understanding
8 in Principle?

9 37183 Did you know that?

10 37184 THE RIGHT HON. BRIAN MULRONEY: No, I
11 did not.

12 37185 MR. WOLSON: I have to ask you some
13 quick questions, and I anticipate the answers.

14 37186 THE RIGHT HON. BRIAN MULRONEY: Sure.

15 37187 MR. WOLSON: You were at the
16 leadership review in Winnipeg in 1983.

17 37188 THE RIGHT HON. BRIAN MULRONEY: I
18 was.

19 37189 MR. WOLSON: I can agree, I am sure,
20 with you that Winnipeg in the wintertime -- it's a
21 tough sell to get easterners there, having lived there
22 all my life.

23 37190 THE RIGHT HON. BRIAN MULRONEY: Yeah.

24 37191 MR. WOLSON: You were there, though.

25 37192 THE RIGHT HON. BRIAN MULRONEY: Yes.

1 37193 MR. WOLSON: Mr. Schreiber says that
2 he had provided money to a fellow by the name of Walter
3 Wolf.
4 37194 Did you know who that was?
5 37195 THE RIGHT HON. BRIAN MULRONEY: I
6 knew who Wolf was, yes.
7 37196 MR. WOLSON: Schreiber testified that
8 he provided \$50,000 to Wolf in furtherance of your
9 support and the leadership review.
10 37197 Did you know that?
11 37198 THE RIGHT HON. BRIAN MULRONEY: No, I
12 didn't.
13 37199 In particular, he indicated, under
14 oath I believe, that he didn't contribute anything to
15 my campaign -- leadership campaign -- but that he had
16 made a contribution to some leadership review movement
17 that you are talking about.
18 37200 MR. WOLSON: Yes, the one in
19 Winnipeg.
20 37201 THE RIGHT HON. BRIAN MULRONEY: Not
21 to me.
22 37202 The distinction between what you said
23 and what I take the liberty of mentioning, sir, is that
24 they are two separate activities.
25 37203 MR. WOLSON: No, I understand that,

1 sir. What I am asking you -- and it's my duty to ask
2 you this --

3 37204 THE RIGHT HON. BRIAN MULRONEY: Sure.

4 37205 MR. WOLSON: When Mr. Schreiber says
5 something, I should put it to you for your response.

6 37206 THE RIGHT HON. BRIAN MULRONEY:
7 Absolutely.

8 37207 MR. WOLSON: Schreiber said that he
9 gave \$50,000 to Walter Wolf for the review in Winnipeg,
10 1983.

11 37208 He is not talking about Ottawa, he is
12 talking about Winnipeg.

13 37209 So the only question I have is, did
14 you know that?

15 37210 THE RIGHT HON. BRIAN MULRONEY: Not
16 only did I not know it, I have never heard -- I had
17 never heard of this kind of movement of any kind.

18 37211 MR. WOLSON: I would imagine that, in
19 1983, \$50,000, as a boost for a potential candidate,
20 would be a pretty handsome boost.

21 37212 THE RIGHT HON. BRIAN MULRONEY: But
22 it wasn't for me. He has testified before you that he
23 gave nothing to my campaign. If he contributed to
24 something, it would have been to this so-called
25 leadership review movement and --

- 1 37213 MR. WOLSON: What he testified to was
2 that he gave the money to attempt to cause the review
3 to behave, or to act out in such a way that there, in
4 fact, would be a leadership convention in Ottawa, which
5 happened.
- 6 37214 I am not challenging --
- 7 37215 THE RIGHT HON. BRIAN MULRONEY:
8 That's --
- 9 37216 MR. WOLSON: Just hold on, sir.
- 10 37217 I am not challenging you, I am just
11 putting to you what he said. If you are unaware of it,
12 so be it.
- 13 37218 THE RIGHT HON. BRIAN MULRONEY: No,
14 but, I -- you had better believe I was unaware of it.
- 15 37219 But, I think it's important, given
16 the -- may I say, the inference in the second part of
17 your question, that none of that was a contribution to
18 my leadership campaign subsequently, because I believe
19 that he has testified before you that in 1983 he made
20 no contribution whatsoever to my leadership.
- 21 37220 MR. WOLSON: That's clear from the
22 transcript.
- 23 37221 THE RIGHT HON. BRIAN MULRONEY: Thank
24 you.
- 25 37222 MR. WOLSON: I am only asking you

1 about Winnipeg.

2 37223 And I ask you, quite frankly,
3 because, at the end of the day, the Commissioner will
4 have to make some credibility findings.

5 37224 THE RIGHT HON. BRIAN MULRONEY: Sure.

6 37225 MR. WOLSON: So I have to put these
7 things to you.

8 37226 THE RIGHT HON. BRIAN MULRONEY: Yes.

9 37227 That was, I suppose -- just to make
10 sure we are talking about the same thing, when I was
11 interrogated by Maître Pratte, I suppose that this was
12 the -- this mysterious movement where 450 Quebecers
13 were flown in, in the middle of the night, to Winnipeg.

14 37228 That was, I suppose, the -- that
15 nobody saw.

16 37229 If he is referring to that, I heard
17 about it, obviously, but I had no knowledge of it
18 whatsoever.

19 37230 MR. WOLSON: Thank you.

20 37231 Now, Mr. Schreiber also says that
21 when you became Prime Minister, access to you was quite
22 easy.

23 37232 Your response to that.

24 37233 THE RIGHT HON. BRIAN MULRONEY: Mr.
25 Schreiber had no access to me at all, personally. He

1 got to see me because of his friendship with Elmer
2 MacKay, initially -- as I say, to whom I owed a lot --
3 and I was happy to see whomever Elmer asked me to see,
4 whenever I could -- and, ultimately, because of the
5 fact that some years later he retained the services of
6 Fred Doucet as one of his Ottawa representatives.

7 37234 MR. WOLSON: In terms of access to
8 you, I suppose -- I am assuming -- I have never met a
9 prime minister before this inquiry -- I am assuming
10 that sitting prime ministers are pretty well protected
11 or sheltered.

12 37235 THE RIGHT HON. BRIAN MULRONEY: Yes.

13 37236 MR. WOLSON: In order to get to see a
14 prime minister, there has to be some kind of protocol.

15 37237 THE RIGHT HON. BRIAN MULRONEY:

16 Either that or you have to be a voter.

17 37238 MR. WOLSON: A voter.

18 37239 THE RIGHT HON. BRIAN MULRONEY: He
19 tends to want to see voters.

20 37240 MR. WOLSON: Do you take the same
21 voter into your office, or have meetings with the same
22 voter on a frequent basis, or is it simply just a wave
23 and a handshake?

24 37241 THE RIGHT HON. BRIAN MULRONEY: By
25 and large it's a wave and a handshake. If it's outside

1 of the parliamentary office, after Question Period,
2 everybody comes in, we have a photo op, shake a few
3 hands, chat for a bit.

4 37242 MR. WOLSON: But a brunch or a
5 private meeting, or something along those lines, would
6 be harder to come by.

7 37243 THE RIGHT HON. BRIAN MULRONEY: I
8 think they would, for all prime ministers.

9 37244 MR. WOLSON: So Schreiber's access to
10 you was twofold. One, Elmer MacKay --

11 37245 THE RIGHT HON. BRIAN MULRONEY: Yes.

12 37246 MR. WOLSON: That was one way, and
13 you wouldn't -- you really didn't want to say no to
14 Elmer, because you had a lot of respect and gratitude
15 toward Elmer.

16 37247 True?

17 37248 THE RIGHT HON. BRIAN MULRONEY:
18 You're right.

19 37249 MR. WOLSON: And, secondly, through
20 Fred, because Fred is a lifelong Fred, and you knew
21 that Fred had gone from government to his own lobby
22 company.

23 37250 THE RIGHT HON. BRIAN MULRONEY: I
24 knew that.

25 37251 MR. WOLSON: Yes.

1 37252 Did it strike you as unusual that
2 Fred Doucet, just weeks out of government, was bringing
3 Karlheinz Schreiber to you, trying to promote a
4 project -- the Bear Head Project?

5 37253 Did that strike you as odd?

6 37254 THE RIGHT HON. BRIAN MULRONEY: It
7 would have been odd, but he didn't do it.

8 37255 MR. WOLSON: He never came to you?

9 37256 THE RIGHT HON. BRIAN MULRONEY: You
10 said "weeks out of government"?

11 37257 MR. WOLSON: Yes.

12 37258 THE RIGHT HON. BRIAN MULRONEY: No,
13 he didn't.

14 37259 MR. WOLSON: He didn't.

15 37260 THE RIGHT HON. BRIAN MULRONEY: Fred
16 Doucet bring Schreiber to see me --

17 37261 MR. WOLSON: Yes.

18 37262 THE RIGHT HON. BRIAN MULRONEY: --
19 weeks after he resigned from office?

20 37263 I don't believe that's the case, sir.

21 37264 MR. WOLSON: Okay.

22 37265 THE RIGHT HON. BRIAN MULRONEY: Fred
23 resigned, I think, in July or August --

24 37266 MR. WOLSON: August 16th --

25 37267 THE RIGHT HON. BRIAN MULRONEY: -- of

1 '88.

2 37268 MR. WOLSON: -- of '88.

3 37269 THE RIGHT HON. BRIAN MULRONEY: I
4 don't believe that there was a meeting with me. I have
5 no recollection of that, until --

6 37270 MR. WOLSON: Okay, we will go through
7 some meetings.

8 37271 THE RIGHT HON. BRIAN MULRONEY: --
9 until much later. Obviously there were meetings with
10 Elmer, but not with Schreiber, that I can remember.

11 37272 MR. WOLSON: Not with Fred you mean.

12 37273 THE RIGHT HON. BRIAN MULRONEY: Not
13 with Fred that I can remember.

14 37274 MR. WOLSON: All right. I am going
15 to try to get through this next area fairly quickly,
16 because I have to do it, and I wouldn't stop you from
17 answering as fulsome -- in the most fulsome way that
18 you like, but I am going to try to go through this in a
19 fairly quick manner, to get to matters that will, at
20 least, get us to some finality of this examination, not
21 today, but hopefully earlier tomorrow.

22 37275 So let me, then, start -- and I am
23 going to deal with the Bear Head Project and contacts
24 that you have had with various parties and involvements
25 in the Bear Head Project.

1 37276 I will start with June 6th, 1987.
2 Senator Lowell Murray testified here, and he said that
3 on that day, June 6th, '87, ACOA had been created --
4 37277 You don't disagree with that?
5 37278 THE RIGHT HON. BRIAN MULRONEY: No, I
6 created it.
7 37279 MR. WOLSON: All right.
8 37280 -- and that you and he were flying,
9 on some government plane, out to Atlantic Canada to
10 make an announcement about the formulation of ACOA.
11 37281 True?
12 37282 THE RIGHT HON. BRIAN MULRONEY: Yes.
13 37283 MR. WOLSON: And that, on that
14 flight, you handed him one file, and in the file was a
15 document regarding Bear Head.
16 37284 At least, that's what Mr. Murray
17 said. I am assuming that you agree with that.
18 37285 THE RIGHT HON. BRIAN MULRONEY: If
19 Mr. Murray said it, it's true.
20 37286 MR. WOLSON: All right. You don't
21 recall it --
22 37287 THE RIGHT HON. BRIAN MULRONEY: No.
23 37288 MR. WOLSON: -- but you don't deny
24 it.
25 37289 THE RIGHT HON. BRIAN MULRONEY:

1 That's right.

2 37290 MR. WOLSON: June 15th, 1987, Mr.

3 Murray testified --

4 37291 Did you watch his testimony?

5 37292 THE RIGHT HON. BRIAN MULRONEY:

6 Unfortunately, I didn't. I read about it, though,
7 extensively.

8 37293 MR. WOLSON: Okay. June 15th, '87 --

9 he testified that on that date, June 15th, '87, Fred
10 Doucet, who was then the ambassador-at-large organizing
11 international summits --

12 37294 THE RIGHT HON. BRIAN MULRONEY:

13 M'hmm.

14 37295 MR. WOLSON: So this would have been
15 about nine days after Mr. Murray had been installed as
16 the Minister for ACOA, by my math at least.

17 37296 THE RIGHT HON. BRIAN MULRONEY:

18 M'hmm.

19 37297 MR. WOLSON: This is what Mr. Murray
20 said -- and I will look to Tab 10 of Book 1.

21 37298 THE RIGHT HON. BRIAN MULRONEY: Yes,
22 sir.

23 37299 MR. WOLSON: June 15th, 1987, he gets
24 a call from Fred Doucet, and he made notes at the time,
25 and this is what he says under Point No. 2, about four

1 lines down:

2 "PM strongly endorses Thyssen
3 project. No project has come.
4 Key is the early order from DND.
5 Maz..."

6 37300 I assume that "Maz" is Mazankowski?

7 37301 THE RIGHT HON. BRIAN MULRONEY: I
8 assume -- yeah, sure. He's the only one I knew as
9 "Maz".

10 37302 MR. WOLSON: All right.
11 "...Maz has spoken to Beatty --
12 didn't get an unfavourable
13 I should speak to Beatty
14 Tell him that it's a must."

15 37303 And the bottom line:
16 "Need decision by July of this
17 year."

18 37304 First of all, you testified the other
19 day that when somebody in government, or elsewhere,
20 floats your name out there and says, "The Prime
21 Minister strongly endorses," or, "strongly requests
22 that you tell your people," to come and see you. You
23 don't want your name floated out there, because you
24 need to know the straight goods.

25 37305 Right?

1 37306 THE RIGHT HON. BRIAN MULRONEY: I
2 told them two things.

3 37307 MR. WOLSON: Yes?

4 37308 THE RIGHT HON. BRIAN MULRONEY: I
5 said to the cabinet that if a lobbyist or anyone else
6 marches into your office -- to use Paul Tellier's
7 illustration, using the Prime Minister's name is the
8 bane of the existence of a lot of people in this
9 town -- if that happened, throw them out of your office
10 and then call me.

11 37309 MR. WOLSON: Let me ask you two
12 questions, then.

13 37310 Number one, did Lowell Murray call
14 you and say that Fred Doucet had called him, that you
15 wanted the project done?

16 37311 THE RIGHT HON. BRIAN MULRONEY: No,
17 he didn't.

18 37312 MR. WOLSON: Did Fred Doucet call on
19 your advice or instruction?

20 37313 THE RIGHT HON. BRIAN MULRONEY: This?

21 37314 MR. WOLSON: Yes.

22 37315 THE RIGHT HON. BRIAN MULRONEY: No.

23 37316 MR. WOLSON: He would have done it on
24 his own?

25 37317 THE RIGHT HON. BRIAN MULRONEY:

1 Absolutely.

2 37318 MR. WOLSON: And his position then
3 was the Organizing Chair of International Summits.

4 37319 THE RIGHT HON. BRIAN MULRONEY: If it
5 was -- Lowell says that it's the 15th of July, I guess?

6 37320 MR. WOLSON: The 15th of June of '87.

7 37321 THE RIGHT HON. BRIAN MULRONEY: June
8 of '87.

9 37322 Yeah, Fred would have been -- yeah,
10 Fred would have been organizing the international
11 summits at that time.

12 37323 MR. WOLSON: Do you know why somebody
13 who was out of active political --

14 37324 Let me ask you this. You didn't know
15 that he called.

16 37325 THE RIGHT HON. BRIAN MULRONEY: Not a
17 clue.

18 37326 MR. WOLSON: All right. It would be
19 unfair for me to ask you to get into his mind, so I
20 withdraw that. I will go on to the next one.

21 37327 THE RIGHT HON. BRIAN MULRONEY: I can
22 take a guess, though.

23 37328 MR. WOLSON: Guesses are probably not
24 worthwhile, and neither was the question, quite
25 frankly, so I will move on to something that is

1 worthwhile.

2 --- Laughter / Rires

3 37329 THE RIGHT HON. BRIAN MULRONEY: We
4 are even.

5 37330 MR. WOLSON: We are even.

6 37331 You advised the Commissioner in your
7 testimony on Tuesday that you instructed Lowell Murray
8 to manage the issue of potential commitments to Thyssen
9 in a particular way as regards to the UIP.

10 37332 You testified that you directed
11 Senator Murray to follow a particular course of conduct
12 as it pertained to avoiding a commitment by government
13 and seeking legal advice from Frank Iacobucci.

14 37333 THE RIGHT HON. BRIAN MULRONEY:
15 That's right.

16 37334 MR. WOLSON: Senator Murray testified
17 on the 5th of May, 2009 -- he advised the Commissioner
18 that at no time did he receive direction from you
19 pertaining to the Bear Head Project, even though he
20 sought it. In fact, he stated that he received no
21 direction in writing or orally. Senator Murray said
22 that he never discussed the project with you again,
23 after you gave him the file on the 6th of June of '87.

24 37335 Now, I am sure that you probably had
25 a million things happening while you were in office,

1 but I have to ask you about the inconsistency, and I am
2 going to throw one more thing into the equation.

3 37336 There was a direction given to your
4 chief of staff, Derek Burney, he testified --

5 37337 Excuse me.

6 --- Pause

7 37338 MR. WOLSON: Mr. Roitenberg corrects
8 me.

9 37339 There was a direction given by Derek
10 Burney, your chief of staff, that any wording binding
11 the government be removed from the UIP before it was to
12 be signed. However, he stated in his testimony that he
13 received no direction from you as to the handling of
14 the Bear Head Project or the Understanding in
15 Principle, and that had he received instruction from
16 you, he would have remembered it.

17 37340 What I want, if you can help me here,
18 is your understanding of matters.

19 37341 THE RIGHT HON. BRIAN MULRONEY: Yeah,
20 I don't believe that there was any inconsistency at
21 all.

22 37342 Are you referring to the Iacobucci
23 participation?

24 37343 MR. WOLSON: I am referring to all
25 three issues, the fact that, first of all, Lowell

1 Murray --

2 37344 Do you want me to repeat them?

3 37345 THE RIGHT HON. BRIAN MULRONEY: No, I
4 see what you are saying, the fact that I testified to
5 the effect that I wanted to be certain that Iacobucci
6 was involved?

7 37346 MR. WOLSON: Yes.

8 37347 THE RIGHT HON. BRIAN MULRONEY: There
9 would be no mystery here. I brought Frank Iacobucci
10 into the federal government, named him Deputy Minister
11 of Justice, and then, as I have indicated, moved him up
12 to the Federal Court and then to the Supreme Court of
13 Canada. He was outstanding -- he was an outstanding
14 success. Where I really got to know him well was in
15 the Meech Lake negotiations that were ongoing at that
16 time.

17 37348 MR. WOLSON: But I want to focus you
18 to the questions that I asked you, and I don't mean to
19 be rude --

20 37349 THE RIGHT HON. BRIAN MULRONEY: No,
21 but it's part of the answer, sir.

22 37350 MR. WOLSON: All right, then take the
23 time and answer.

24 37351 THE RIGHT HON. BRIAN MULRONEY: The
25 reason is that Lowell Murray -- I had named Lowell to

1 be the minister in charge of federal-provincial
2 relations, namely, heading the constitutional
3 negotiations at that level.

4 37352 Iacobucci was his advisor. We met
5 all the time, on a regular basis, in the summer of --

6 37353 I was, of course, interested in the
7 Bear Head Project. I have testified to that many
8 times.

9 37354 I put Lowell in charge of ACOA. He
10 is from Cape Breton. We were fellow students and
11 friends at St. F.X. I was the member for Central Nova.
12 We had this development project, and I had just put him
13 in charge of Atlantic development.

14 37355 So I give him the file and say, "Take
15 a look at it, as it moves along," and in the summer of
16 1988, Lowell, I have no doubt, said to me: This thing
17 is heating up. Maybe there is going to be a memorandum
18 of some kind.

19 37356 We knew that we could not prejudice
20 the London, Ontario position in any way, so I would
21 have said to Lowell: Look, with regard to that clause,
22 which is so important in this context, make sure that
23 Frank takes a look at it.

24 37357 No more mysterious than that.

25 37358 MR. WOLSON: So although he says that

1 he didn't, at any time, receive any direction from you,
2 your recall is that he did.

3 37359 THE RIGHT HON. BRIAN MULRONEY: Well,
4 it wouldn't be -- if I can put it to you this way,
5 Lowell was one of my ministers. I saw him regularly.
6 Prime ministers meet with their ministers and say,
7 "Have somebody take a look at this," or "Have that -- "

8 37360 There is no inconsistency in recall.
9 It wasn't a formal directive to do something, it was:
10 Lowell, look, as a measure of prudence on this, because
11 of the huge implications coming at us, possibly, from
12 London, make sure that Frank gives it his okay.

13 37361 Something like that.

14 37362 MR. WOLSON: Why were you interested,
15 if you were, in having an Understanding in Principle at
16 all with Thyssen/Schreiber and your government?

17 37363 What was the point of the
18 Understanding in Principle from your perspective?

19 37364 THE RIGHT HON. BRIAN MULRONEY: I
20 think that Lowell perhaps spoke to you about that. One
21 of the arguments at the time was that this would be of
22 assistance -- the Letter of Comfort matter -- would be
23 of assistance to Thyssen in their, by now, reconfigured
24 approach, to take more advantage of a technological
25 partnership with an American defence supplier, and that

1 at least they would have that to begin their
2 discussions.

3 37365 That was part of the discussion at
4 the time.

5 37366 My political interest in it was to
6 make certain that the operations in London, Ontario
7 were not irretrievably compromised by any commitment
8 the Government of Canada might make.

9 37367 MR. WOLSON: And while Mr. Pratte
10 asked you yesterday if you were aware -- or the other
11 day -- that \$2 million were paid to Schreiber or one of
12 his companies on the signing of the UIP, the reality of
13 it is that Schreiber received \$6.5 million, including
14 loans which never had to be repaid.

15 37368 Is that something that you had any
16 knowledge of at all?

17 37369 THE RIGHT HON. BRIAN MULRONEY: None
18 whatsoever. But I must tell you, as a result of the
19 evidence adduced before you, that I think explains
20 something to me.

21 37370 I had no clue about this whatsoever,
22 but when it came out here that it was \$6.5 million, on
23 the basis of that contract, which made no sense at all,
24 one of the conclusions that you could perhaps draw -- I
25 mean, I wondered why is it that every time we turn

1 around Mr. Schreiber is here like the Energizer Bunny,
2 nonstop, and it's moved from Cape Breton to Central
3 Nova to a possible deal with SNC Lavalin in the Trenton
4 Works. Then it is reconfigured for possible
5 peacekeeping, NATO and east end of Montréal, and so on.

6 37371 I have asked myself why would this
7 have been so?

8 37372 One of the answers I think came here.
9 I think that Mr. Schreiber, on the basis of that
10 document we talked about, persuaded somehow Thyssen
11 that this was a go. He got the \$6.5 million, nothing
12 happened, because of that clause, and Thyssen said to
13 him, hey, we have paid you \$6.5 million, you have to
14 deliver something.

15 37373 He had the money and he spent the
16 money and I think that whether he had hoodwinked them
17 or not, I don't know, but he certainly persuaded them,
18 including, as he said, giving \$500,000 cash to a
19 Director of Thyssen, Mr. Haastert I think it was.

20 37374 So that, at least to me, explains
21 this amazing energy that he had to keep moving things
22 along no matter what or where to get a deal, I think to
23 probably recoup with Thyssen. But that's just a
24 surmise.

25 37375 MR. WOLSON: Gave Haastert \$500,000

1 in cash under the table.

2 37376 THE RIGHT HON. BRIAN MULRONEY: So he
3 said, yes.

4 37377 MR. WOLSON: If you would turn,
5 please, sir, to book P-50, which is the documents that
6 I gave you this morning.

7 37378 THE RIGHT HON. BRIAN MULRONEY:
8 "Compendium of Contacts"?

9 37379 MR. WOLSON: Quite so.

10 37380 THE RIGHT HON. BRIAN MULRONEY: Yes,
11 sir.

12 37381 MR. WOLSON: I want to go through
13 with you, and you may not disagree at all -- there may
14 be some things we can actually agree on -- that you had
15 a number of meetings where you were involved with
16 Mr. Schreiber and others, and I want to take you
17 through some of these now.

18 37382 So let's go, first of all, to Tab 1.

19 37383 THE RIGHT HON. BRIAN MULRONEY: Yes.

20 37384 MR. WOLSON: December '87.

21 37385 THE RIGHT HON. BRIAN MULRONEY: Yes.

22 37386 MR. WOLSON: December 13, '87 at
23 11:30 it says "Brunch Ric Logan, Sam Wakim, Brunch PM".

24 37387 Mr. Schreiber told us that often "PM"
25 means Prime Minister.

1 37388 Do you recall that lunch?
2 37389 THE RIGHT HON. BRIAN MULRONEY: No,
3 not at all.
4 37390 MR. WOLSON: You don't deny it,
5 though?
6 37391 THE RIGHT HON. BRIAN MULRONEY: No,
7 of course not. I have certainly no recollection.
8 37392 Ric Logan and Sam Wakim and
9 Mr. Schreiber? That would be a first. However, it's
10 possible.
11 37393 MR. WOLSON: All right. I don't want
12 to have --
13 37394 THE RIGHT HON. BRIAN MULRONEY: When
14 I say that, I say it because you are telling me. The
15 fact that it is inscribed in Schreiber's diary or
16 daytimer, that isn't a guarantee of anything.
17 37395 MR. WOLSON: Well, I'm going to put
18 these to you for your position on them --
19 37396 THE RIGHT HON. BRIAN MULRONEY: Sure.
20 37397 MR. WOLSON: -- and we will go
21 through them.
22 37398 THE RIGHT HON. BRIAN MULRONEY: Okay.
23 37399 MR. WOLSON: After that, if you then
24 go to Tab 2 in the book --
25 37400 THE RIGHT HON. BRIAN MULRONEY: Yes.

1 37401 MR. WOLSON: August 23, 1989.

2 37402 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 37403 MR. WOLSON: 6:30, or "18:30 Brian
4 Mulroney" in his diary. Do you see that?

5 37404 THE RIGHT HON. BRIAN MULRONEY: M'hm.

6 37405 MR. WOLSON: And if you flip the
7 page, please, he writes a letter to you five days
8 after -- at least it is dated five days after the
9 meeting that he says that he has with you, and he
10 writes the following, August 28, 1989:

11 "I very much enjoyed meeting
12 with you last week; it was an
13 unexpected pleasure and
14 especially because only a few
15 days ago, I was cleaning out
16 some old boxes and came..."

17 37406 Across the '82 telegram that -- just
18 paraphrasing, the '82 telegram that you sent to him.

19 37407 Do you recall receiving the letter
20 from him?

21 37408 THE RIGHT HON. BRIAN MULRONEY: No.

22 37409 MR. WOLSON: Would you turn the page,
23 please?

24 37410 THE RIGHT HON. BRIAN MULRONEY: But I
25 would draw your attention to the penultimate paragraph

1 there, where he says:

2 "I listened with great interest

3 to your address to the P.C.

4 Annual Meeting and was

5 especially moved by your remarks

6 concerning..."

7 37411 My guess is that the meetings -- when

8 he says:

9 "I very much enjoyed meeting

10 with you last week..."

11 37412 It was probably at the annual meeting

12 of the Party.

13 37413 MR. WOLSON: Okay.

14 37414 THE RIGHT HON. BRIAN MULRONEY: But

15 I'm not sure of that.

16 37415 MR. WOLSON: Turn the page.

17 37416 On September 18, '89 you write him

18 back.

19 "Thank you for your letter of

20 August 28."

21 37417 THE RIGHT HON. BRIAN MULRONEY: M'hm.

22 37418 MR. WOLSON:

23 "I too was pleased to have the

24 opportunity to meet with you."

25 37419 THE RIGHT HON. BRIAN MULRONEY: M'hm.

1 37420 MR. WOLSON: You talk about the
2 general meeting.

3 37421 THE RIGHT HON. BRIAN MULRONEY: Yes.

4 37422 MR. WOLSON: Do you ordinarily write
5 letters back to people, a gentleman you just meet at
6 the meeting? Would you be in correspondence with
7 people or would you simply have a handshake and a
8 hello?

9 37423 THE RIGHT HON. BRIAN MULRONEY: No.
10 I would be in correspondence with anyone from the Party
11 who wrote to me personally and I clearly had run into
12 him at a party meeting, and I would have absolutely
13 responded to anybody who had attended a General Meeting
14 of the Party with a letter that would have been drafted
15 by the party and/or the Prime Minister's Office and
16 sent it out, sure.

17 37424 MR. WOLSON: Did you think it was an
18 exaggeration on his part when he said:
19 "I very much enjoyed meeting
20 with you... it was an unexpected
21 pleasure..."

22 37425 Is that --

23 37426 THE RIGHT HON. BRIAN MULRONEY: I'm
24 sure it was a great pleasure for him.

25 37427 MR. WOLSON: I'm sure it was a

1 pleasure, too. I could understand that, but do you --

2 37428 THE RIGHT HON. BRIAN MULRONEY: But
3 look, you have seen the way Mr. Schreiber does
4 business, the way he writes letters. You meet him --
5 as I told you yesterday, I met him coming out of the
6 bathroom and he referred to it as the Royal York
7 meeting.

8 37429 MR. WOLSON: It was Royal, but not
9 the York, okay.

10 37430 Now, just while we are on not the
11 Royal York but we are on the letter, could you see the
12 man as being a bit of a -- exaggerating a bit?

13 37431 THE RIGHT HON. BRIAN MULRONEY: Well,
14 you see, I'm not sure I would have seen this
15 particular --

16 37432 MR. WOLSON: Not yet.

17 37433 THE RIGHT HON. BRIAN MULRONEY: --
18 this particular letter, but --

19 37434 MR. WOLSON: Well, let's go on.

20 37435 THE RIGHT HON. BRIAN MULRONEY: And I
21 had no recollection of thinking about him one way or
22 the other.

23 37436 And by the way, you know, I wouldn't
24 have been displeased at all to get a letter of thanks
25 from a delegate who attended an Annual Meeting of the

1 Party.

2 37437 MR. WOLSON: I'm going to take you to
3 Tab -- leave that book for a moment and go, please, to
4 Book 1, the large book, Tab 34.

5 37438 THE RIGHT HON. BRIAN MULRONEY: Tab
6 34?

7 37439 MR. WOLSON: Yes, please. Do you see
8 a memorandum for an R. Protti?

9 37440 THE RIGHT HON. BRIAN MULRONEY: Ray
10 Protti, yes.

11 37441 MR. WOLSON: Yes. PCO?

12 37442 THE RIGHT HON. BRIAN MULRONEY: Yes.
13 Ron Bilodeau. Copy Ron Bilodeau, yes.

14 37443 MR. WOLSON: Okay. What I'm trying
15 to do to save some time, Mr. Mulroney, is I'm trying to
16 go through contacts you had with Mr. Schreiber and also
17 some of the high points of the Bear Head Project.

18 37444 So that is the purpose of me going
19 back and forth and I'm hoping we can save a little
20 time --

21 37445 THE RIGHT HON. BRIAN MULRONEY: Sure.

22 37446 MR. WOLSON: -- on matters that I
23 must cover and want your positions on them.

24 37447 This letter -- or this memorandum I
25 should say, you'll see at the very top January 24,

1 1990.

2 37448 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 37449 MR. WOLSON: It says that it is a

4 recent "sequence of events". Do you see that?

5 37450 THE RIGHT HON. BRIAN MULRONEY: Yes.

6 37451 MR. WOLSON: All right. And what it

7 is, it is an outline of what was happening on the Bear

8 Head Project, and I'm going to direct you to page 2.

9 37452 THE RIGHT HON. BRIAN MULRONEY: Yes.

10 37453 MR. WOLSON: The 24th of January.

11 37454 Do you know who Mr. Grauer is?

12 37455 THE RIGHT HON. BRIAN MULRONEY: Yes.

13 Bob Grauer, now deceased, was a wonderful guy from

14 External who was seconded to the PMO for a while.

15 37456 MR. WOLSON: All right. So this is

16 what is happening on the 24th:

17 "According to Grauer, Hartt..."

18 37457 Hartt is Stanley Hartt, your Chief Of

19 Staff; right?

20 37458 THE RIGHT HON. BRIAN MULRONEY: Yes.

21 37459 MR. WOLSON:

22 "... Hartt is firm that no

23 letter be sent to Thyssen..."

24 37460 What Thyssen wanted, to put things in

25 proper perspective, Thyssen wanted some more comfort.

1 They had the UIP --

2 37461 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 37462 MR. WOLSON: -- they hadn't gotten a

4 contract from the government and they were looking for

5 a little more comfort.

6 37463 THE RIGHT HON. BRIAN MULRONEY: M'hm.

7 37464 MR. WOLSON: To put that in proper

8 context.

9 37465 THE RIGHT HON. BRIAN MULRONEY: M'hm.

10 37466 MR. WOLSON: And Hartt says:

11 "... Hartt is firm that no

12 letter be sent to Thyssen..."

13 37467 A letter of some comfort:

14 "... on grounds that any letter

15 would sound like a plea and

16 would put the Government of

17 Canada in a weak negotiating

18 position ... After speaking to

19 Meerburg (about 4 pm), Grauer

20 also reports that Tellier

21 apparently had convinced MacKay

22 that letter should not go

23 forward. Grauer's view is that

24 a decision had effectively been

25 made not to send a letter to

1 Thyssen."

2 37468 Do you see that?

3 37469 THE RIGHT HON. BRIAN MULRONEY: Yes.

4 37470 MR. WOLSON: And then there is a PS

5 at the bottom:

6 "Bob Grauer called back at 7:5

7 ..."

8 37471 It's cut off but I think it is 7:55:

9 "... to say that MacKay had gone

10 back to the charge with S.

11 Hartt, only this time to argue

12 for a letter of support for a

13 Bear Head military project,

14 based on the Sept. understanding

15 with Bear Head. Hartt

16 apparently is now inclined to

17 authorize a letter of comfort as

18 long as it is completely

19 non-committal as to federal

20 support."

21 37472 Did you know about that?

22 37473 THE RIGHT HON. BRIAN MULRONEY: No.

23 37474 MR. WOLSON: If you turn the page to

24 January 25, 1990 --

25 37475 THE RIGHT HON. BRIAN MULRONEY: Yes.

1 37476 MR. WOLSON: -- Bill McKnight,
2 Minister of National Defence.
3 37477 You knew Mr. McKnight? You appointed
4 him.
5 37478 THE RIGHT HON. BRIAN MULRONEY: I
6 know him very well, yes. He was a great Minister, too.
7 37479 MR. WOLSON: I'm sure.
8 37480 THE RIGHT HON. BRIAN MULRONEY:
9 Saskatchewan.
10 37481 MR. WOLSON: Well, it's not quite
11 Manitoba --
12 37482 THE RIGHT HON. BRIAN MULRONEY: Not
13 right there, but pretty close.
14 37483 MR. WOLSON: -- but we are getting
15 there, yes.
16 37484 On September 27th Minister McKnight
17 sends out a letter -- I'm sorry, he sends out the
18 letter on the 25th of January 1990, and basically I can
19 tell you, sir, that this letter is a letter to Thyssen
20 telling them -- I will read part of it, the second
21 paragraph on the first page:
22 "... I am pleased to confirm
23 that, in the event that the
24 Canadian Forces determined to
25 acquire a Multi-Role Combat

1 Vehicle, and subject to Bear
2 Head Industries Limited
3 satisfying in all respects the
4 specifications and design
5 requirements of the call for
6 tenders and all contractual
7 matters, Bear Head Industries
8 Limited will be given an
9 opportunity to participate in
10 the tendering ..."

11 37485 So basically it is almost like the
12 UIP. It is not quite worthless. It is keeping Thyssen
13 I suppose in a position of some comfort, but it is
14 telling them that if we open matters up for tender, you
15 contender. No obligation at all.

16 37486 THE RIGHT HON. BRIAN MULRONEY: M'hm.

17 37487 MR. WOLSON: It's another response
18 from the government that is of very little meaning;
19 true?

20 37488 THE RIGHT HON. BRIAN MULRONEY: I
21 agree, yes.

22 37489 MR. WOLSON: Okay. Then I'm going to
23 take you back to the Compendium book --

24 37490 THE RIGHT HON. BRIAN MULRONEY: Yes.

25 37491 MR. WOLSON: -- at Tab 3.

1 37492 THE RIGHT HON. BRIAN MULRONEY: Yes,
2 sir.

3 37493 MR. WOLSON: Tab 3 is the 3rd of July
4 1990.

5 37494 THE RIGHT HON. BRIAN MULRONEY: Yes.

6 37495 MR. WOLSON: What this is, is
7 Mr. Schreiber's diary "8:30 PM", July 3, 1990. The
8 word we now know is "breakfast".

9 37496 Do you recall having breakfast with
10 Mr. Schreiber on the 3rd of July 1990?

11 37497 THE RIGHT HON. BRIAN MULRONEY: No, I
12 don't, but I have seen a picture that was taken at that
13 breakfast one day.

14 37498 MR. WOLSON: Okay. Turn the page.

15 37499 THE RIGHT HON. BRIAN MULRONEY: I
16 think that -- I think at that breakfast.

17 37500 MR. WOLSON: Turn the page. Here is
18 a letter that he sends to you just three days later,
19 July 6, 1990.

20 37501 He says to you:
21 "Dear Prime Minister:
22 Let me say what a pleasure it
23 was to see you again Tuesday
24 morning and how much I
25 appreciated your taking the time

1 to meet with me."
2 37502 He goes on into the third paragraph:
3 "Speaking as a friend, let me
4 assure you of my continued
5 support..."
6 37503 And then he says:
7 "I am overjoyed to learn of your
8 coming official visit to
9 Germany. If there is any way I
10 can be helpful regarding this
11 visit, please call on me. I
12 humbly suggest that I could be
13 helpful."
14 37504 You get that from him; true?
15 37505 THE RIGHT HON. BRIAN MULRONEY: I
16 get --
17 37506 MR. WOLSON: You got that letter from
18 Mr. Schreiber?
19 37507 THE RIGHT HON. BRIAN MULRONEY: I
20 have no recollection of getting the letter and before
21 you -- if I may?
22 37508 MR. WOLSON: Sure, please.
23 37509 THE RIGHT HON. BRIAN MULRONEY:
24 Before you move on, when he talks about this:
25 "Let me say what a pleasure it

1 in to see you. He has to get there through some other
2 source.

3 37517 THE RIGHT HON. BRIAN MULRONEY: M'hm.

4 37518 MR. WOLSON: He gets there through
5 your friends, Doucet or MacKay. They are in effect his
6 conduit to you. That's the truth, isn't it?

7 37519 THE RIGHT HON. BRIAN MULRONEY: No.

8 Mr. Mackay is a senior Minister of the Crown in
9 Canada --

10 37520 MR. WOLSON: Yes...?

11 37521 THE RIGHT HON. BRIAN MULRONEY: --
12 who happens to be the Member of Parliament for Central
13 Nova. And in that responsibility he is trying -- and
14 Minister for ACOA in those times, and he is responsible
15 for trying to attract business to his constituency and
16 jobs to Atlantic Canada.

17 37522 I guess he felt that Mr. Schreiber
18 was advancing a project that could achieve some of
19 those objectives and he would speak to me about it.

20 37523 It's not really a mysterious thing in
21 any way, sir.

22 37524 MR. WOLSON: Did you see a lot of
23 people like Mr. Schreiber? Now, Schreiber didn't live
24 in Canada. You have testified to that at the
25 discovery. Schreiber was an infrequent visitor to

1 Canada.

2 37525 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 37526 MR. WOLSON: I think in his

4 testimony, you may have heard it --

5 37527 THE RIGHT HON. BRIAN MULRONEY: Yes.

6 37528 MR. WOLSON: -- he said he was here

7 eight to ten weeks --

8 37529 THE RIGHT HON. BRIAN MULRONEY: Yes.

9 37530 MR. WOLSON: -- and he only spent

10 part of that time in Ottawa.

11 37531 THE RIGHT HON. BRIAN MULRONEY: Yes.

12 37532 MR. WOLSON: But yet when he's here,

13 he's out pitching the Prime Minister. No matter how he

14 gets there, he is getting there.

15 37533 THE RIGHT HON. BRIAN MULRONEY: I

16 told you, the Energizer Bunny is at it --

17 37534 MR. WOLSON: Yes.

18 37535 THE RIGHT HON. BRIAN MULRONEY: --

19 because the \$6.5 million has been paid and he owes that

20 to Thyssen and they are putting heat on him, obviously.

21 37536 MR. WOLSON: Well, that is a theory,

22 but we don't need to theorize because we know he had a

23 billion dollars at stake.

24 37537 So if he could get in your door, he

25 would be thrilled to.

1 37538 THE RIGHT HON. BRIAN MULRONEY: A
2 billion six.

3 37539 MR. WOLSON: A billion six. I can't
4 count that high.

5 37540 THE RIGHT HON. BRIAN MULRONEY: Nor
6 can I, sir.

7 37541 MR. WOLSON: Yes. But a billion
8 dollars. So he certainly has a vested interest,
9 whether it is through Fred Doucet --

10 37542 THE RIGHT HON. BRIAN MULRONEY: Yes.

11 37543 MR. WOLSON: -- your long-time
12 friend, or whether it is through Elmer, another
13 long-time friend. The point is he is getting the
14 access and that is, I suppose, at the end of the day
15 for the Energizer Bunny or for anybody to get to see
16 the PM is a -- it's a major inroad.

17 37544 THE RIGHT HON. BRIAN MULRONEY: I
18 think that if -- you know, President Truman once said
19 in Washington if you want a new friend, get a dog. He
20 was trying to say Presidents, and I suppose Prime
21 Ministers, should be careful in that regard.

22 37545 But I had a very special relationship
23 with Elmer MacKay, and when Elmer wished to see me
24 he -- quite frankly, often he would say to me at
25 Cabinet or leaving Cabinet, do you mind if I come by

1 tomorrow or the next day with people from our riding,
2 he used to call it, from Central Nova.

3 37546 I would often see people from
4 Atlantic Canada through Elmer.

5 37547 MR. WOLSON: It would seem --

6 37548 THE RIGHT HON. BRIAN MULRONEY: And
7 he also had this relationship with Mr. Schreiber.

8 37549 MR. WOLSON: It would be, I take it,
9 following up on your quote from President Truman, it
10 would be politics 101 that you would watch yourself if
11 you have people that are writing letters that are
12 inaccurate, that are gaining access to you on a fairly
13 frequent basis, that the antennae go up.

14 37550 Did you find the antennae going up
15 with Schreiber?

16 37551 THE RIGHT HON. BRIAN MULRONEY: I
17 hadn't seen any letters that were inaccurate. These
18 letters were not brought, by and large, to my
19 attention.

20 37552 The innocuous one that you see here
21 about the political convention, yes, but I think I
22 testified that I have no recollection whatsoever of
23 ever setting aside any of his letters.

24 37553 Moreover, at the time, Mr. Schreiber
25 was very much known as the person that I described the

1 day before and as I have described elsewhere, an
2 accomplished, hard driving, apparently successful
3 business entrepreneur who had acquired the title of
4 Chairman of Thyssen Canada.

5 37554 We all knew that Thyssen was a huge
6 multinational and that he appeared to be legitimate,
7 having all kinds of good business contacts, but most of
8 all, I would agree with you, most of all, sir, he
9 was -- what helped him a great deal in Ottawa was that
10 he was friendly with one of the most respected Cabinet
11 Ministers in town, Elmer MacKay.

12 37555 MR. WOLSON: Now, hindsight is
13 perfect vision, but you talk about his prestige and
14 his --

15 37556 THE RIGHT HON. BRIAN MULRONEY: No,
16 not prestige. I'm sorry, I didn't say prestige, sir.
17 He was seen as an accomplished entrepreneur.

18 37557 MR. WOLSON: All right, an
19 accomplished entrepreneur.

20 37558 THE RIGHT HON. BRIAN MULRONEY: Yes.

21 37559 MR. WOLSON: A man who was involved
22 with a worldwide company, a company that had, I think
23 you said 160,000 jobs worldwide.

24 37560 THE RIGHT HON. BRIAN MULRONEY: Yes.

25 37561 MR. WOLSON: Employees worldwide,

1 3,000 in Canada.

2 37562 THE RIGHT HON. BRIAN MULRONEY: M'hm.

3 37563 MR. WOLSON: He was a man associated

4 with a big corporation.

5 37564 THE RIGHT HON. BRIAN MULRONEY: M'hm.

6 37565 MR. WOLSON: Your answer is...?

7 37566 Your answer is yes, I take it?

8 37567 THE RIGHT HON. BRIAN MULRONEY: To

9 that, yes.

10 37568 MR. WOLSON: Yes. Okay.

11 37569 THE RIGHT HON. BRIAN MULRONEY: M'hm.

12 37570 MR. WOLSON: It's the "M'hm" that I'm

13 having trouble with.

14 37571 We are back there again, sir.

15 37572 THE RIGHT HON. BRIAN MULRONEY: Yes,

16 sir.

17 37573 MR. WOLSON: You know, I'm going to

18 come back to the visits, but while we are on this

19 point, it just dumbfounds me that the man that you are

20 talking about, this man associated with the prestigious

21 Thyssen Corporation, worldwide international company, I

22 wouldn't think men like that come with \$75,000 in cash

23 and offer it to people to do business.

24 37574 THE RIGHT HON. BRIAN MULRONEY:

25 Neither did I.

1 37575 MR. WOLSON: But you took it.

2 37576 THE RIGHT HON. BRIAN MULRONEY: Yes,
3 I did.

4 37577 MR. WOLSON: Yes.

5 37578 THE RIGHT HON. BRIAN MULRONEY: I
6 have acknowledged that readily.

7 37579 MR. WOLSON: When you said that the
8 Karlheinz Schreiber that is here today -- he is not
9 here today -- but the Karlheinz Schreiber that is at a
10 central position at this inquiry was not the man that
11 you knew back in 1993.

12 37580 THE RIGHT HON. BRIAN MULRONEY:
13 That's right.

14 37581 MR. WOLSON: The man that you knew
15 back in '93, the antenna ought to have been way up. A
16 man who is associated with a major international
17 corporation taking out of his briefcase an envelope
18 with thousands of dollars, that in itself should have
19 caused you at the time to have said hold on here,
20 what's happening? Who is this guy?

21 37582 THE RIGHT HON. BRIAN MULRONEY: But I
22 have said to you, and I have said to the Commissioner,
23 that it was precisely -- that was a mistake and it was
24 precisely at that time that I should have said, you
25 know, this is something -- a mandate that I think that

1 I can usefully do for you, but let me have a cheque
2 rather than this.

3 37583 I didn't do that. I should have done
4 it. Had I done it, we wouldn't be -- had I asked for
5 and gotten a cheque, we wouldn't be here today.

6 37584 MR. WOLSON: You will recall around
7 the time of the -- we keep using other words for it,
8 but the Ethics Committee hearing. You will recall
9 around that time there was an article floating in the
10 paper where Schreiber had said, you know, you think
11 that the former Prime Minister would have taken a
12 cheque from me and your response was you're darn right
13 I would have taken a cheque from him; right?

14 37585 THE RIGHT HON. BRIAN MULRONEY:
15 That's right. That's right, yes.

16 37586 MR. WOLSON: Yes.

17 37587 THE RIGHT HON. BRIAN MULRONEY: And
18 do you remember the other quote at the same time?

19 37588 MR. WOLSON: No. I would like to
20 hear it.

21 37589 THE RIGHT HON. BRIAN MULRONEY: Yes.
22 When he said I deliberately dealt in cash because I was
23 trying to keep a distance from myself and the former
24 Prime Minister because precisely -- moreover, I don't
25 think the former Prime Minister would have accepted a

1 cheque from me.

2 37590 Of course I would have accepted a
3 cheque from him.

4 37591 MR. WOLSON: What difference would
5 that have made?

6 37592 THE RIGHT HON. BRIAN MULRONEY: All
7 the difference in the world.

8 37593 MR. WOLSON: Why? Couldn't you have
9 taken the money, put it in the bank and create your own
10 paper trail?

11 37594 THE RIGHT HON. BRIAN MULRONEY: You
12 have to think that this was a subject of discussion or
13 contemplation. Had he given me a cheque, I would have
14 done with it what you would do with a cheque: put it
15 in my account and done the work for him.

16 37595 As it was, he paid me in cash, in
17 legal Canadian tender. I took it and I did the work
18 for him.

19 37596 But I have acknowledged that that was
20 an error in judgment.

21 37597 MR. WOLSON: A good time to break for
22 the afternoon break.

23 37598 COMMISSIONER OLIPHANT: All right.

24 37599 Just for the benefit of the public, I
25 just want to say that when a witness or party is on the

1 stand and being cross-examined, while counsel may speak
2 to the person, you can be assured that ethical counsel
3 such as I have before me never talk about the evidence.

4 37600 I just want the people in the public
5 to understand that so that if you see one of
6 Mr. Mulroney's lawyers speaking to him, there is
7 nothing untoward about that because they are very
8 ethical lawyers. And in saying this, I am not
9 suggesting that there was anything improper done. But
10 it came to my attention that somebody asked a question
11 about lawyers speaking to their client.

12 37601 If you want to speak, Mr. Yarosky,
13 why don't you come up to the podium.

14 37602 MR. YAROSKY: Okay, I'm going to make
15 it.

16 37603 COMMISSIONER OLIPHANT: This is a
17 first.

18 37604 MR. YAROSKY: How many times do I
19 have to be invited here to accept the invitation?

20 37605 All I wanted to say,
21 Mr. Commissioner, is I assume the same applies when
22 more than one of his lawyers speak to him.

23 37606 COMMISSIONER OLIPHANT: Even if there
24 were nine.

25 --- Laughter / Rires

1 37607 MR. YAROSKY: Okay. I have made it
2 now. You have made my day.

3 37608 COMMISSIONER OLIPHANT: We will break
4 for 15 minutes and please feel free to leave while I
5 sit here and relax.

6 --- Upon recessing at 3:15 p.m. / Suspension à 15 h 15
7 --- Upon resuming at 3:35 p.m. / Reprise à 15 h 35

8 37609 COMMISSIONER OLIPHANT: Be seated,
9 please.

10 37610 Mr. Wolson, just before you proceed,
11 as has been the tradition, on Thursdays we have
12 announced the witness list for the following week.

13 37611 Next week's list is as follows:

14 37612 Tuesday, May 19th, Mr. Mulroney,
15 subject to Mr. Auger being able to obtain instructions
16 from Mr. Schreiber in terms of cross-examination.

17 37613 On Wednesday, May 20th, the
18 Commission proposes to call the following witnesses:
19 Salpie Stepanian, who is the Manager of the Prime
20 Minister's Correspondence Unit of the Prime Minister's
21 Office; Lana Cardo(ph), former Executive Assistant to
22 the Chief of Staff of the Prime Minister's Office;
23 Wayne Adams of the Canada Revenue Agency; Christine
24 Sauve of the Canada Revenue Agency; and Fred Bild,
25 former Canadian Ambassador to China.

1 37614 Thursday, May 21st, we will hear the
2 application filed earlier by Mr. Schreiber and we will
3 also have Mr. Schreiber here to be re-examined by
4 counsel for the Commission.

5 37615 Those two items on Thursday, May
6 21st, of course are conditional upon Mr. Schreiber
7 being able to be here.

8 37616 So that is the schedule for next
9 week, as tenuous as it might be, but it is the best
10 that I can do for now.

11 37617 Mr. Wilson...?

12 37618 MR. WOLSON: I can tell you, sir,
13 that Mr. Auger just told me that he spoke to
14 Mr. Schreiber today; that the doctors are going to
15 assess whether he can go home tomorrow, I think.

16 37619 It feels like an episode of General
17 Hospital, but that is the latest at least.

18 37620 COMMISSIONER OLIPHANT: Do we have
19 the Commission baby yet? Not yet? Okay.

20 --- Laughter / Rires

21 37621 COMMISSIONER OLIPHANT: One of the
22 lawyers for the Department of Justice is an expectant
23 father and hopefully the happy day will come before we
24 are finished.

25 37622 MR. YAROSKY: If that happens, I will

1 go up to the podium to congratulate him.

2 37623 MR. WOLSON: Any time you are ready,
3 sir. Thank you.

4 37624 If you have the small binder, the
5 Compendium binder -- thank you -- and you turn to Tab
6 3, if you will, Mr. Mulroney --

7 37625 THE RIGHT HON. BRIAN MULRONEY: Yes,
8 sir.

9 37626 MR. WOLSON: This is the breakfast
10 that we were talking about where you indicated you had
11 seen a photograph. I must say I haven't, but if one is
12 out there we will try and find it.

13 37627 THE RIGHT HON. BRIAN MULRONEY: July
14 6, 1990. July 6, 1990. I will see. I will look for
15 it myself and see.

16 37628 MR. WOLSON: That would be very nice,
17 thank you.

18 37629 We have been through the letter that
19 Mr. Schreiber had sent to you saying what a pleasure it
20 was to see you again.

21 37630 And the last tab, which is a document
22 from material produced by your counsel -- I'm sorry,
23 not the last tab; in Tab 3, the last document. I
24 misspoke.

25 37631 In Tab 3, the last document.

1 37632 THE RIGHT HON. BRIAN MULRONEY: M'hm.
2 37633 MR. WOLSON: That is a daily schedule
3 for you produced by your counsel.
4 37634 Are you on that page, July 3, 1990?
5 37635 THE RIGHT HON. BRIAN MULRONEY:
6 Tuesday, July 3, 1990, yes.
7 37636 MR. WOLSON: Yes. Thank you.
8 37637 It indicates "daily schedule for the
9 Prime Minister" and there is a breakfast noted there
10 had 7 Rideau Gate. But you recall the breakfast being
11 at 24 Sussex.
12 37638 THE RIGHT HON. BRIAN MULRONEY: I
13 hadn't seen this schedule --
14 37639 MR. WOLSON: Yes...?
15 37640 THE RIGHT HON. BRIAN MULRONEY: --
16 when we chatted about it and as I look at it, it's
17 clear that if it's July 3rd, 24 Sussex would have been
18 closed for the summer and the breakfast would have
19 taken place across the street at 7 Rideau Gate, the
20 government guesthouse.
21 37641 MR. WOLSON: All right. None of
22 these places I have ever been to, so I am hearing about
23 them from you for the --
24 37642 THE RIGHT HON. BRIAN MULRONEY: It's
25 just across the street from 24 Sussex.

1 37643 MR. WOLSON: All right. And if you
2 turn to Tab 4, please.

3 37644 Just before we go there, at the
4 breakfast meeting where Mr. Schreiber indicates that he
5 had breakfast with you and some others, you say it was
6 MacKay and Mclaughlin.

7 37645 Mclaughlin was your Chief of Staff?

8 37646 THE RIGHT HON. BRIAN MULRONEY: My
9 recollection of the photo --

10 37647 MR. WOLSON: Yes...?

11 37648 THE RIGHT HON. BRIAN MULRONEY: -- my
12 answer was conditioned by the photo I thought that I
13 had seen of that.

14 37649 I will see if I can't track that
15 down.

16 37650 But I do remember a photo of David
17 Mclaughlin. He was not Chief of Staff at the time.

18 37651 MR. WOLSON: Okay.

19 37652 THE RIGHT HON. BRIAN MULRONEY: He
20 would have been more junior. I think Hugh Segal was
21 probably -- Hughie was probably the Chief -- yes, would
22 have been the Chief of Staff, I think, and Mclaughlin
23 would have been one of his --

24 37653 MR. WOLSON: All right.

25 37654 THE RIGHT HON. BRIAN MULRONEY: David

1 would have been one of his deputies.

2 37655 MR. WOLSON: All right. I am going
3 to suggest to you that at that meeting -- and I quite
4 frankly would be shocked if you would remember this.
5 But at that meeting there was an arrangement made for
6 Mr. Tellier to meet with Mr. Schreiber.

7 37656 Do you have any recollection of that:
8 that at the 7 Rideau Gate breakfast on July 3, 1990, my
9 suggestion to you -- and I will show you some
10 documentation for it --

11 37657 THE RIGHT HON. BRIAN MULRONEY: Yes.

12 37658 MR. WOLSON: Do you have any
13 independent memory of it?

14 37659 THE RIGHT HON. BRIAN MULRONEY: No.

15 37660 MR. WOLSON: Okay. Turn the page, if
16 you will, please, to Tab 4.

17 37661 THE RIGHT HON. BRIAN MULRONEY: Yes.

18 37662 MR. WOLSON: And you will see at Tab
19 4 on July 4 in Mr. Schreiber's diary he has meeting
20 with Paul Tellier at 11:30.

21 37663 Do you see that?

22 37664 THE RIGHT HON. BRIAN MULRONEY: Yes.

23 37665 MR. WOLSON: Just to complete the
24 loop of events, if you turn the page, you will see a
25 memorandum to the Prime Minister from Mr. Tellier. I

1 just want to refer you to -- and that is July 12th.

2 37666 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 37667 MR. WOLSON: Do you see that?

4 37668 THE RIGHT HON. BRIAN MULRONEY: Yes,

5 I do, yes.

6 37669 MR. WOLSON: And it says: "As you

7 requested". So Mr. Tellier is writing to you.

8 37670 THE RIGHT HON. BRIAN MULRONEY: Yes.

9 37671 MR. WOLSON:

10 "As you have requested, I met

11 recently with Elmer MacKay and

12 Karlheinz Schreiber, Chairman of

13 Bear Head Industries..."

14 37672 So obviously what would have

15 happened, you have breakfast on the 3rd of July. We

16 have covered that Tab 3.

17 37673 On the 4th of July Paul Tellier,

18 according to the diary of Mr. Schreiber, has a

19 meeting -- Schreiber has a meeting with Tellier and

20 Tellier then sends you a memo a few days after that,

21 July the 12th, indicating that he recently met with

22 Elmer and Karlheinz Schreiber.

23 37674 THE RIGHT HON. BRIAN MULRONEY: M'hm.

24 37675 MR. WOLSON: We are back to the

25 "M'hm"s, but I would prefer --

1 37676 THE RIGHT HON. BRIAN MULRONEY: Yes.

2 37677 MR. WOLSON: All right. Thank you.

3 37678 THE RIGHT HON. BRIAN MULRONEY: M'hm.

4 Yes.

5 --- Laughter / Rires

6 37679 MR. WOLSON: So what Schreiber has,

7 is he has access through two of your friends and

8 colleagues, esteemed so, Mr. MacKay and Doucet -- we

9 will come to some Doucet entries -- and through those

10 he is not only able to see you but other important

11 people to see if he can make his project happen.

12 37680 You would agree with that?

13 37681 THE RIGHT HON. BRIAN MULRONEY: Well,

14 I think in fairness to Paul Tellier, he would only have

15 seen him because I asked him to.

16 37682 MR. WOLSON: I appreciate that.

17 37683 THE RIGHT HON. BRIAN MULRONEY: And I

18 would have arranged that at Elmer's request.

19 37684 But perhaps this is a good indication

20 of what these meetings were all about as far as I was

21 concerned, Mr. Commissioner: is that as the Ministers

22 have testified, and as is the case, my tendency was to

23 appoint Cabinet Ministers and let them do their jobs.

24 I never interfered with them, and if they had a problem

25 I asked them to come and see me. We talked about it in

1 my Parliamentary or Langevin Block offices.

2 37685 That was on free trade or Meech Lake
3 or the GST, or what have you.

4 37686 In this case and in others, because I
5 had established the principle of allowing the Ministers
6 to do their jobs completely, and I had told the Cabinet
7 anybody that walks in and purports to speak in my name,
8 first throw them out and secondly call me.

9 37687 Because of that, the only thing
10 basically that I wanted to do in this or other
11 circumstances was to ensure that whomever had a valid
12 proposal brought forward by a Minister, that I would
13 ensure that the Government of Canada, the bureaucracy,
14 gave them a hearing, responded to a legitimate request
15 for a hearing.

16 37688 So this would have been the case. I
17 would have said to Paul, look, we met him or I met him.
18 They think that they are not getting a proper hearing
19 from Defence. Why don't you take a look at it if this
20 is true and see what we can do.

21 37689 MR. WOLSON: All right, let's
22 continue on to Tab 5 of the book, please.

23 37690 THE RIGHT HON. BRIAN MULRONEY: M'hm.

24 37691 MR. WOLSON: Tab 5 is a telephone
25 call -- well, it's not a telephone call. It is a

1 letter about a telephone call, August 27, 1990.

2 37692 This is a document that your counsel
3 took you to.

4 37693 THE RIGHT HON. BRIAN MULRONEY: M'hm.

5 37694 MR. WOLSON: Let me just read some of
6 it to you.

7 37695 THE RIGHT HON. BRIAN MULRONEY: Yes.

8 37696 MR. WOLSON: You will tell me if I am
9 not reading it accurately. August 27, 1990:

10 "Dear Prime Minister:
11 First, let me thank you for the
12 telephone conversation last week
13 and I hope that your mother's
14 birthday celebration was a happy
15 event for she and all of your
16 family. As you know, I am going
17 back to Germany this week to
18 celebrate with my mother on the
19 occasion of her seventy-ninth
20 birthday."

21 37697 So far he is relating to you a
22 telephone conversation you had with him.

23 37698 THE RIGHT HON. BRIAN MULRONEY:
24 Apparently, yes.

25 37699 MR. WOLSON: And it was a telephone

1 conversation that was obviously quite a personal one,
2 where you were talking about your mom's birthday and
3 something more than just hi, how are you; right?

4 37700 THE RIGHT HON. BRIAN MULRONEY: Well,
5 according to the letter, he refers to my mother's
6 birthday, yes.

7 37701 MR. WOLSON: When you got this
8 letter, would you have even looked at it?

9 37702 THE RIGHT HON. BRIAN MULRONEY: No.

10 37703 MR. WOLSON: So you wouldn't know
11 whether he was exaggerating or not?

12 37704 THE RIGHT HON. BRIAN MULRONEY: I
13 have no idea. As I have indicated before, you know,
14 there are only so many things that a Prime Minister can
15 read and do.

16 37705 And one thing that I think most Prime
17 Ministers, if not all, they tend not to be given
18 correspondence from lobbyists or people promoting this
19 thing unless it has gone through either the PCO or the
20 PMO.

21 37706 MR. WOLSON: So in essence -- and I'm
22 sure that couldn't be more correct and probably
23 understated -- you have a lot of important things to
24 do. Your time is probably taken and spoken for from
25 early morning to night, plus your family obligations.

1 37707 You would agree with that kind of --
2 37708 THE RIGHT HON. BRIAN MULRONEY: It is
3 an extremely demanding job for anyone.
4 37709 MR. WOLSON: Yes.
5 37710 THE RIGHT HON. BRIAN MULRONEY: If
6 you were a bit of a hands-on fellow, it's even more so.
7 37711 MR. WOLSON: And you were a hands-on
8 fellow who was making phone calls and involved in
9 matters, so you were probably working incredible hours.
10 37712 THE RIGHT HON. BRIAN MULRONEY: Yes,
11 I think that's right.
12 37713 MR. WOLSON: And you are a workaholic
13 you said the other day.
14 37714 THE RIGHT HON. BRIAN MULRONEY: M'hm.
15 37715 MR. WOLSON: Your answer is yes?
16 37716 THE RIGHT HON. BRIAN MULRONEY: Yes.
17 37717 MR. WOLSON: Yes. But you still
18 found time to see Schreiber through your friends?
19 37718 THE RIGHT HON. BRIAN MULRONEY: I
20 found time to see hundreds of Schreibers.
21 37719 MR. WOLSON: Did you see --
22 37720 THE RIGHT HON. BRIAN MULRONEY:
23 Hundreds and hundreds of Schreibers.
24 37721 MR. WOLSON: And that's what I want
25 to ask you.

1 37722 THE RIGHT HON. BRIAN MULRONEY:
2 Hundreds of them.

3 37723 MR. WOLSON: I thank you for pointing
4 me there.

5 37724 Hundreds of Schreibers. Would you
6 have seen people 10, 15 times in your offices, for
7 breakfast, for -- would you have done that, the same
8 person over and over again over a period of time?

9 37725 THE RIGHT HON. BRIAN MULRONEY: Well,
10 I don't know the number, but if you are asking me
11 whether I would have seen people on a repeated basis,
12 ongoing basis, yes.

13 37726 MR. WOLSON: Okay. So this wasn't
14 unusual?

15 37727 THE RIGHT HON. BRIAN MULRONEY: No,
16 it wasn't.

17 37728 MR. WOLSON: Okay. This is a man who
18 is --

19 37729 THE RIGHT HON. BRIAN MULRONEY: Let
20 me try that again.

21 37730 MR. WOLSON: Yes, sure.

22 37731 THE RIGHT HON. BRIAN MULRONEY: It
23 wasn't in any way exceptional.

24 37732 MR. WOLSON: All right.

25 37733 THE RIGHT HON. BRIAN MULRONEY: It

1 would not be usual to see anybody on a business
2 proposal 10 or 15 times, but I don't think that I saw
3 Mr. Schreiber that often.

4 37734 MR. WOLSON: Of course they would
5 have to have the same connections he had, because
6 without Elmer or without Fred, or an Elmer or Fred
7 type, it would be hard to get to see the Prime
8 Minister?

9 37735 THE RIGHT HON. BRIAN MULRONEY: I
10 would say that in any government it would probably be
11 extremely difficult.

12 37736 MR. WOLSON: Okay. Now, going on in
13 this letter that we just read, he thanks you, in the
14 second paragraph:

15 "The meeting which I had with
16 Stanley Hartt ..."

17 37737 Your Chief of Staff:

18 "... and Elmer was very
19 interesting and in my opinion it
20 was very productive."

21 37738 You see that?

22 37739 THE RIGHT HON. BRIAN MULRONEY: Yes.

23 37740 MR. WOLSON: So he is seeing your
24 Chief of Staff, he is seeing PCO, he is seeing you, he
25 is seeing Fowler. He has pretty good access, this man

1 from Germany who is here only eight or ten weeks a
2 year.

3 37741 THE RIGHT HON. BRIAN MULRONEY:
4 Obviously.

5 37742 MR. WOLSON: Yes.

6 37743 THE RIGHT HON. BRIAN MULRONEY: To
7 give you an illustration in the same letter,
8 Mr. Wolson, of the dimensions of the outreach of the
9 Energizer Bunny, if you look at the penultimate
10 paragraph, in the summer of 1990 he says:

11 "As regards Mohawk situation, I
12 have been concerned for years,
13 and have expressed this concern,
14 about the known fact that
15 certain Canadian Native groups
16 received training in East German
17 terrorist training camps, and I
18 have reason to believe that some
19 such groups may be in possession
20 of armour-piercing weapons.
21 They are in Shilo, Manitoba, at
22 the Training Camp, a number of
23 ... personnel carriers vehicle,
24 which offer protection against
25 such weapons."

1 37744 Now he is at the point where he is
2 going to deal with the problem of -- this was the
3 summer of the seizure of the Mercier Bridge in
4 Montréal.

5 37745 MR. WOLSON: You see, where I come
6 from in the north end of Winnipeg, we have a name for
7 that and is probably no different in Baie Comeau.

8 37746 THE RIGHT HON. BRIAN MULRONEY: It's
9 exactly the same as in Baie Comeau.

10 37747 MR. WOLSON: It is.

11 37748 THE RIGHT HON. BRIAN MULRONEY: And
12 it is equally accurate in both official languages.

13 37749 MR. WOLSON: Yes, I'm sure that it
14 is. But this is the guy that you are meeting with and
15 talking to and getting letters from.

16 37750 THE RIGHT HON. BRIAN MULRONEY: M'hm.

17 37751 MR. WOLSON: Right?

18 37752 THE RIGHT HON. BRIAN MULRONEY: Yes.

19 37753 MR. WOLSON: He is a bit of a
20 prevaricator.

21 37754 THE RIGHT HON. BRIAN MULRONEY: Yes.

22 37755 MR. WOLSON: He is putting it on a
23 little thick.

24 37756 THE RIGHT HON. BRIAN MULRONEY:
25 Fairly thick.

1 37757 MR. WOLSON: Yes.

2 37758 THE RIGHT HON. BRIAN MULRONEY: But I
3 do caution you just a gentle bit, if I may. I am not
4 reading these letters at the time.

5 37759 MR. WOLSON: Okay.

6 37760 THE RIGHT HON. BRIAN MULRONEY: They
7 are not getting to me.

8 37761 MR. WOLSON: All right. But you are
9 meeting with him. That you are doing.

10 37762 THE RIGHT HON. BRIAN MULRONEY: I am
11 meeting with him when Elmer asks me.

12 37763 MR. WOLSON: I understand. But I
13 take it some of the same kind of discussion is
14 happening, the same kind of language. He is putting it
15 on that he is not just an entrepreneur, but he has a
16 lot of expertise if you accept what he says.

17 37764 Maybe he does, but at least that is
18 what he is saying.

19 37765 THE RIGHT HON. BRIAN MULRONEY: Not
20 in my presence.

21 37766 MR. WOLSON: Oh, he didn't?

22 37767 THE RIGHT HON. BRIAN MULRONEY: He
23 doesn't discuss the situation of the Mohawks and how he
24 is going to solve that problem or others. He is there
25 with Elmer and/or Fred or perhaps other people,

1 Mr. Tellier and Mr. Fowler. He is talking about his
2 project.

3 37768 MR. WOLSON: Let's go to Tab 6.

4 37769 Tab 6 is September 9, 1990. At
5 8 o'clock he has a meeting with you and Fowler.

6 37770 THE RIGHT HON. BRIAN MULRONEY: M'hm.

7 37771 MR. WOLSON: Your answer, please?

8 37772 THE RIGHT HON. BRIAN MULRONEY:

9 That's what it says.

10 37773 MR. WOLSON: Yes, that's what it
11 says, but I'm going to show you that that's what it
12 was.

13 37774 THE RIGHT HON. BRIAN MULRONEY: All
14 right. I have no recollection of it, but -- unless
15 Mr. Tellier -- was Mr. Tellier at that meeting, sir?

16 37775 MR. WOLSON: Not to my -- well, he
17 may have been, but I am going to read to you from your
18 discovery.

19 37776 THE RIGHT HON. BRIAN MULRONEY: M'hm.

20 37777 MR. WOLSON: You know, when I'm
21 reading, I'm not trying to trick you in any way. But
22 you can go to the discovery, if you like. It is page
23 89, line 13.

24 37778 I will read it to you:

25 "And so I met with him, and Mr.

1 Paul Tellier..."

2 37779 First of all, you are looking at the
3 page, are you, at 89?

4 37780 THE RIGHT HON. BRIAN MULRONEY: I'm
5 looking at page 89, yes.

6 37781 MR. WOLSON: All right. If you could
7 look to line 13.

8 37782 THE RIGHT HON. BRIAN MULRONEY: Yes.

9 37783 MR. WOLSON:
10 "And so I met with him..."

11 37784 You are telling Mr. Sheppard this:
12 "... and Mr. Paul Tellier, who
13 was the Clerk of the Privy
14 Council and the Secretary of the
15 Cabinet, I met with him in his
16 presence. We listened to him.
17 I asked Mr. Tellier to refer
18 this matter to the Defence
19 Department."

20 37785 THE RIGHT HON. BRIAN MULRONEY: M'hm.

21 37786 MR. WOLSON: Then you go on to say:
22 "There was a subsequent meeting
23 with the Department of National
24 Defence in the presence of the
25 Deputy Minister. I believe Mr.

1 Fowler, who was our ambassador
2 to the United Nations, Mr.
3 Tellier and I and Mr. Schreiber,
4 he made his case and... and
5 left."

6 37787 So when you see in Schreiber's diary
7 at Tab 6, September 9, 1990, going back to the
8 Compendium, you are aware of it because you have
9 testified to it.

10 37788 THE RIGHT HON. BRIAN MULRONEY: Yes.

11 37789 MR. WOLSON: All right.

12 37790 THE RIGHT HON. BRIAN MULRONEY: If I
13 may, sir, in regard to the quotation that you just
14 mentioned, I hadn't thought of that until we went back
15 and read it, but that is why I asked about whether
16 Fowler was at the meeting, because I do remember either
17 at the same meeting or soon thereafter Tellier and
18 Fowler on this.

19 37791 But the reason was -- and it's just
20 before, in the two paragraphs before:

21 "And at this..."

22 37792 We are talking about 1990-1991:

23 "And at this point in time, the
24 Tissen(sic) Project had evolved
25 into one where vehicles would be

1 made for the United Nations
2 Peacekeeping Forces around the
3 world to protect our
4 Peacekeepers.
5 The United Nations had issued a
6 report saying the vehicles were
7 no longer safe to protect
8 Canadians and others from
9 snipers. And he had what
10 appeared to be a perfect vehicle
11 that could do this.
12 And so I met with him, and Mr.
13 Paul Tellier..."
14 37793 Et cetera, et cetera, and Bob Fowler.
15 37794 And that was, for example, another in
16 the list of reconfigurations of the project and its
17 potential that came about and the coincidence was a
18 happy one for Thyssen because we had recently deployed,
19 I think it was 3,000 or 4,000 peacekeepers to the
20 Balkans and many of them were in danger.
21 37795 And so I said to Paul, you should
22 take a look at this because of the new requirements of
23 our peacekeepers.
24 37796 But this equipment could only be
25 procured, if at all, through the Department of National

1 Defence, which explains the presence of Bob Fowler
2 there as the Deputy Minister.

3 37797 That would have been the reasons for
4 those meetings.

5 37798 MR. WOLSON: I think you are probably
6 ahead of yourself, because at this stage, the 9th of
7 September 1990, you still hadn't killed the Bear Head
8 Project, and the initial project was a project that
9 called for not international peacekeeping or UN but the
10 procurement from Bear Head, from Thyssen, of 250
11 vehicles.

12 37799 And we covered this morning your
13 evidence regarding Spector. You went on a trip, you
14 were going to be making a speech in Québec and that was
15 in I think December of 1990.

16 37800 This is only September. So we are
17 not there yet.

18 37801 THE RIGHT HON. BRIAN MULRONEY: Well,
19 we may not be there yet --

20 37802 MR. WOLSON: Yes...?

21 37803 THE RIGHT HON. BRIAN MULRONEY: --
22 but you can be certain that Mr. Schreiber was there
23 with this idea, a new -- a new dimension to it.

24 37804 MR. WOLSON: Well, we will cover
25 that.

1 37805 THE RIGHT HON. BRIAN MULRONEY: Sure.
2 37806 MR. WOLSON: I promise you.
3 37807 If you turn the page on the same tab,
4 another meeting, September 24th, 1700 hours.
5 37808 THE RIGHT HON. BRIAN MULRONEY: Tab
6 6?
7 37809 MR. WOLSON: Tab 6, yes, sir. Stay
8 in Tab 6 and it's the second page in.
9 37810 THE RIGHT HON. BRIAN MULRONEY: Yes.
10 37811 MR. WOLSON: 1700 hours, September
11 24, Brian Mulroney.
12 37812 THE RIGHT HON. BRIAN MULRONEY: M'hm.
13 37813 MR. WOLSON: You see that?
14 37814 THE RIGHT HON. BRIAN MULRONEY: M'hm.
15 37815 MR. WOLSON: I'm still waiting for
16 you to say yes or no.
17 37816 THE RIGHT HON. BRIAN MULRONEY:
18 Excuse me, yes. Yes, I see it, yes. September 24th.
19 37817 MR. WOLSON: You were better that way
20 with Sheppard than you are with me, but I will convert
21 you.
22 37818 THE RIGHT HON. BRIAN MULRONEY: M'hm.
23 --- Laughter / Rires
24 37819 MR. WOLSON: And then if you turn the
25 page, so we are on the 24th of September. Lo and

1 behold there is another letter from Mr. Schreiber, the
2 10th of October 1990.

3 37820 Are you with me, sir?

4 37821 THE RIGHT HON. BRIAN MULRONEY: Yes,
5 I am.

6 37822 MR. WOLSON: And in this one he says:
7 "Dear Prime Minister:
8 Many thanks for the most
9 enjoyable meeting we had last
10 month. What a great pleasure to
11 recognize that old friends never
12 change."

13 37823 THE RIGHT HON. BRIAN MULRONEY: We
14 are old friends at that point in time.

15 37824 MR. WOLSON: Yes.

16 37825 THE RIGHT HON. BRIAN MULRONEY:
17 According to him.

18 37826 MR. WOLSON: Yes.

19 37827 THE RIGHT HON. BRIAN MULRONEY: M'hm.

20 37828 MR. WOLSON: You see, this is the
21 problem. You have one view of things, Schreiber has
22 another view in terms of whether you were old friends.

23 37829 Your response that you just gave me
24 now is to the effect -- I know you were being
25 sarcastic, but your response is to the effect look at,

1 we weren't old friends. We had an acquaintanceship but
2 that's as far as it went.

3 37830 Would that be correct, sir?

4 37831 THE RIGHT HON. BRIAN MULRONEY:

5 Absolutely. In fact, I think Mr. MacAdam testified
6 that when he came to my office of Leader of the
7 Opposition in '83 with Max Strauss, neither MacAdam nor
8 I knew who he was, either Strauss or Schreiber.

9 37832 Bob Coates had apparently called and
10 asked MacAdam if he could get him in for a 90-second
11 photo op or a handshake.

12 37833 MR. WOLSON: Let's not go to the
13 evidence of Mr. MacAdam, because that is another story.
14 I want to focus you on your evidence here.

15 37834 But you would agree with me that what
16 is happening is a distortion in effect. He has a
17 feeling about your relationship which in reality is not
18 the way it was according to you.

19 37835 Would that be fair?

20 37836 THE RIGHT HON. BRIAN MULRONEY: I
21 think that's fair, but don't take it from me. Look at
22 the letter he sent to Mr. Tellier --

23 37837 MR. WOLSON: We are going to get
24 there.

25 37838 THE RIGHT HON. BRIAN MULRONEY: --

1 after the meeting.

2 37839 MR. WOLSON: We are going. We are
3 absolutely going there, I promise you.

4 37840 THE RIGHT HON. BRIAN MULRONEY: Well,
5 I think that will give you a good third-party
6 endorsement of the manner in which he operated, as we
7 then found out.

8 37841 MR. WOLSON: Yes. And while you are
9 on the October 10th letter, if you go to the
10 penultimate paragraph on the first page:

11 "Turning back to the discussions
12 of our meeting last week..."

13 37842 In the first paragraph he is talking
14 about a meeting you had a month ago, and then, in the
15 fourth paragraph, he is talking about another meeting
16 that he had with you last week.

17 37843 You see that?

18 37844 THE RIGHT HON. BRIAN MULRONEY: Yes.

19 37845 MR. WOLSON: Just before we leave
20 that October 10th letter, he talks about an opportunity
21 for Canada in the last paragraph on the first page of
22 the October 10th letter.

23 37846 You see that?

24 37847 THE RIGHT HON. BRIAN MULRONEY: Yes,
25 sir.

1 37848 MR. WOLSON: Again, what he is doing,
2 basically, is he is -- first of all, he is pitching
3 Canada to buy his product.

4 37849 That's one thing; right?

5 37850 THE RIGHT HON. BRIAN MULRONEY:
6 M'hmm.

7 37851 MR. WOLSON: And that is implicit in
8 all of these meetings you had. He is not doing this
9 because he has some kind of wonderful heart, he is
10 trying to pitch you -- he is trying to pitch Canada to
11 buy a product. That's what he is doing.

12 37852 THE RIGHT HON. BRIAN MULRONEY: Yes.

13 37853 MR. WOLSON: Yes.

14 37854 A product that would have resulted in
15 a -- if Canada had bought it, in a huge expenditure.
16 37855 Right?

17 37856 THE RIGHT HON. BRIAN MULRONEY: The
18 first project was, I think, 250 vehicles.

19 37857 MR. WOLSON: Yes. We are talking,
20 for 250 vehicles, somewhere around -- I think that
21 Spector told you \$100 million, and there was a question
22 that it could even be seven times that amount.

23 37858 THE RIGHT HON. BRIAN MULRONEY: Seven
24 hundred and fifty million, yes, it ran the road of
25 that.

1 37859 MR. WOLSON: A lot of millions.

2 37860 All right. Now, if we can continue
3 on, around October of 1990, I am told -- and maybe you
4 can correct me if I am wrong -- that Norm Spector has
5 become your chief of staff.

6 37861 THE RIGHT HON. BRIAN MULRONEY: That
7 is right.

8 37862 MR. WOLSON: Spector told this
9 Commission of Inquiry that sometime around September or
10 October of 1990, moving into later in 1990, you had
11 told him to find out what's needed to get this project
12 done, or words to that effect.

13 37863 Do you recall that?

14 37864 THE RIGHT HON. BRIAN MULRONEY: I
15 remember a conversation with him that was to this
16 effect --

17 37865 MR. WOLSON: Okay, tell us the way it
18 went.

19 37866 THE RIGHT HON. BRIAN MULRONEY: I had
20 appointed Spector as Secretary to the Cabinet for
21 Federal-Provincial Relations, and then I appointed him
22 as Chief of Staff to the Prime Minister, before, as you
23 know, appointing him as Ambassador to Israel.

24 37867 What Spector brought to the job -- he
25 was not a political person, which is unusual in that

1 job, but he had a sense of detachment about him in
2 regard to the fact that he had not been involved in any
3 of this, in any way.

4 37868 As the Secretary for
5 Federal-Provincial Relations, his interests and his
6 activities were elsewhere.

7 37869 Because he could, in his new capacity
8 as Chief of Staff to the Prime Minister, le contrepoids
9 of Paul Tellier on the PCO -- I said to Mr. Spector
10 that this thing had been kicking around, that there
11 were ups and downs, reconfigurations, new things with
12 it, and that, as a new person, with a fresh pair of
13 eyes, he could take a look at it. If there had been
14 obstructions of any kind, take a look at that. Take a
15 fresh look at the costs. Set aside the representations
16 that may have been made. Talk to Paul, Bob Fowler and
17 others, and come back to me with an analysis and a
18 recommendation.

19 37870 That's what he did.

20 37871 MR. WOLSON: All right. And this is
21 leading up to his getting back to you, telling you the
22 cost of this project, and you indicating that it's
23 dead, or words to that effect.

24 37872 THE RIGHT HON. BRIAN MULRONEY:

25 That's right.

1 37873 MR. WOLSON: All right. So let's
2 look at the larger book, Tab 44 -- Book 1 --
3 37874 THE RIGHT HON. BRIAN MULRONEY: Yes,
4 sir.
5 37875 MR. WOLSON: December the 10th, 1990.
6 37876 THE RIGHT HON. BRIAN MULRONEY: Yes.
7 37877 MR. WOLSON: This is a memorandum for
8 Norm Spector from Paul Tellier.
9 37878 THE RIGHT HON. BRIAN MULRONEY: Yes.
10 37879 MR. WOLSON: What Spector has done
11 is, he has gone out to try and find out, just as you
12 said, what is happening with the Bear Head Project.
13 37880 THE RIGHT HON. BRIAN MULRONEY:
14 M'hmm.
15 37881 MR. WOLSON: If you would just look
16 at the second page, he basically tells you on the
17 second page, under the heading "Comment" -- I don't
18 think it's necessary to read it all, but what he tells
19 you is that, while you were interested, Mr. Prime
20 Minister, in jobs -- and you were obviously; right?
21 37882 THE RIGHT HON. BRIAN MULRONEY: Very
22 much so.
23 37883 MR. WOLSON: And you had thought that
24 this would be 500 to 1,000 jobs, you told the
25 Commissioner.

1 37884 THE RIGHT HON. BRIAN MULRONEY: Yes.

2 37885 MR. WOLSON: But what you are told

3 here is that it's approximately \$2 million per job.

4 37886 Right?

5 37887 THE RIGHT HON. BRIAN MULRONEY:

6 That's right.

7 37888 COMMISSIONER OLIPHANT: This is a

8 memo, I think, from Mr. Tellier to Mr. Spector, is it

9 not?

10 37889 MR. WOLSON: Yes.

11 --- Pause

12 37890 MR. WOLSON: No, no, I am not

13 suggesting that it was to the Prime Minister. I'm

14 sorry.

15 37891 What I intended to --

16 37892 And I think you understood me, quite

17 frankly, but if you --

18 37893 MR. PRATTE: Well --

19 37894 MR. WOLSON: You didn't, Mr. Pratte.

20 37895 MR. PRATTE: No, I think you may have

21 misspoken, but we understood. You said that it was a

22 memo to the Prime Minister.

23 37896 MR. WOLSON: No, no, I thought I had

24 outlined -- if I didn't, I misspoke, and if I misspoke,

25 it wouldn't be the first or the last that that will

1 happen.

2 37897 The point of the matter is -- leave
3 the document aside for a minute, if you will, Mr.
4 Mulroney --

5 37898 THE RIGHT HON. BRIAN MULRONEY: Yes.
6 37899 MR. WOLSON: -- you were interested
7 in jobs.

8 37900 THE RIGHT HON. BRIAN MULRONEY:
9 That's right.

10 37901 MR. WOLSON: That's what it's all
11 about.

12 37902 Right?

13 37903 THE RIGHT HON. BRIAN MULRONEY: Yes.
14 37904 MR. WOLSON: But if jobs come at too
15 high a price, obviously -- there is a limit to what the
16 Government of Canada can do.

17 37905 THE RIGHT HON. BRIAN MULRONEY: Sure.
18 37906 MR. WOLSON: And what happened here
19 was, you had sent Spector out to find out -- "Norm,
20 what's happening? Find out for me."
21 37907 He's your chief of staff; right?

22 37908 THE RIGHT HON. BRIAN MULRONEY:
23 That's right.

24 37909 MR. WOLSON: And he comes back, after
25 having some meetings, and Tellier writes to him this

1 memorandum.

2 37910 Right?

3 37911 THE RIGHT HON. BRIAN MULRONEY: Yes.

4 37912 MR. WOLSON: And at the second page

5 it appears that the jobs would cost \$2 million

6 apiece --

7 37913 THE RIGHT HON. BRIAN MULRONEY: Yes.

8 37914 MR. WOLSON: -- which, obviously, is

9 a no go.

10 37915 THE RIGHT HON. BRIAN MULRONEY:

11 That's right.

12 37916 MR. WOLSON: All right. A lot of

13 talking for a small point, but --

14 37917 THE RIGHT HON. BRIAN MULRONEY: Well,

15 no --

16 37918 MR. WOLSON: On my part I am saying.

17 37919 THE RIGHT HON. BRIAN MULRONEY: I'm

18 sorry, go ahead.

19 37920 MR. WOLSON: I'm saying that was a --

20 37921 THE RIGHT HON. BRIAN MULRONEY: No,

21 it may be -- I don't have the date here of the

22 conversation with Spector. Are we coming to that?

23 37922 MR. WOLSON: Well, the conversation

24 with Spector, I think Spector said, was sometime in --

25 37923 THE RIGHT HON. BRIAN MULRONEY:

1 December.

2 37924 MR. WOLSON: The 16th, I think, of
3 December, on your way to -- I forget where he said --

4 37925 THE RIGHT HON. BRIAN MULRONEY:
5 Buckingham.

6 37926 MR. WOLSON: Buckingham, Quebec.

7 37927 THE RIGHT HON. BRIAN MULRONEY: Yeah.
8 He got in the car with me, and we were going to
9 Buckingham -- and the reason I asked you for the date,
10 sir, was that -- there's the memorandum, there is my
11 meeting with Spector --

12 37928 MR. WOLSON: Yes.

13 37929 THE RIGHT HON. BRIAN MULRONEY: I say
14 to Spector: Take a fresh look at this thing. If we
15 can do it, that would be great. If we can't, let me
16 know what the problems are.

17 37930 He does that very well, and it
18 concludes when I see the memorandum from Paul to him,
19 which is on the 10th of December 1990.

20 37931 Paul has a handwritten note here:
21 "To be discussed, please. I
22 want to know where we stand on
23 this."

24 37932 Paul Tellier is saying, I assume to
25 me, but I can't make it out on top --

1 37933 MR. WOLSON: Sure.

2 37934 THE RIGHT HON. BRIAN MULRONEY: --

3 "To be discussed with you. I want to know where we

4 stand on this."

5 37935 A few days later, Spector gets in the

6 car with me and we go to Buckingham, and he tells me

7 that the costs -- the graduated costs are in excess of

8 \$100 million, and one of the memoranda says up to \$750

9 million.

10 37936 MR. WOLSON: I think it was 765, but

11 we won't quibble over that.

12 37937 THE RIGHT HON. BRIAN MULRONEY:

13 That's right, 765.

14 37938 MR. WOLSON: And then you said what

15 you did to Mr. Spector in the car on the way to the

16 speech --

17 37939 THE RIGHT HON. BRIAN MULRONEY: Yes,

18 sir.

19 37940 MR. WOLSON: -- and now I am going to

20 continue on.

21 37941 THE RIGHT HON. BRIAN MULRONEY: Okay.

22 I just wanted to be sure that I understood the

23 timeframe.

24 37942 MR. WOLSON: Sure.

25 37943 April 10th, 1991, if you would turn,

1 please, to Tab 7 --

2 37944 Tab 7, I am sorry, sir, in the

3 compendium.

4 37945 THE RIGHT HON. BRIAN MULRONEY: Yes.

5 37946 MR. WOLSON: How are you doing? I

6 know that it's --

7 37947 THE RIGHT HON. BRIAN MULRONEY: I'm

8 fine.

9 37948 MR. WOLSON: All right. Thank you.

10 37949 April 10th, 1991, in Schreiber's

11 diary:

12 "PM/Tellier

13 Fred."

14 37950 Do you see that?

15 37951 THE RIGHT HON. BRIAN MULRONEY: I

16 see --

17 37952 MR. WOLSON: April 10th at 4 o'clock,

18 "PM/Tellier," and underneath "Tellier" is "Fred".

19 37953 THE RIGHT HON. BRIAN MULRONEY: Yes,

20 "PM/Tellier -- Fred."

21 37954 MR. WOLSON: Okay. And if you turn

22 the page, this is Mr. Doucet's diary, and he's got the

23 same time at 4 o'clock, "KS with PM".

24 37955 "KS" is Karlheinz Schreiber, and you

25 are the PM.

1 37956 THE RIGHT HON. BRIAN MULRONEY: Yes,
2 I see that.

3 37957 MR. WOLSON: If you turn the page,
4 these are excerpts from Mr. Tellier's diary, and if you
5 look at the same date, April 10th at 4 o'clock, "Prime
6 Minister - Fred Doucet -- Schreiber -- "
7 37958 I can't make out the -- I think it
8 says "Bear Head".

9 37959 THE RIGHT HON. BRIAN MULRONEY: "re
10 Bear Head."

11 37960 MR. WOLSON: "re Bear Head," all
12 right.

13 37961 Then, if you look at the next page,
14 which is your daily schedule, April 10th, 4 o'clock,
15 "J.A. Doucet..."

16 37962 "J.A." is Fred, we know; right?

17 37963 THE RIGHT HON. BRIAN MULRONEY: Yes.

18 37964 MR. WOLSON: "...Karlheinz Schreiber
19 and Paul Tellier."

20 37965 THE RIGHT HON. BRIAN MULRONEY: Yes.

21 37966 MR. WOLSON: Now, Tellier has told
22 the inquiry that you were having a meeting with Doucet
23 and Schreiber, that you called him into the office to
24 give a status report, and he did so.

25 37967 Accurate?

1 37968 Do you agree with that?

2 37969 THE RIGHT HON. BRIAN MULRONEY: I
3 don't remember, but if he says so, I'm sure it's true.

4 37970 MR. WOLSON: All right. Then, as
5 always, turn the page -- April 19th, 1991, a letter
6 from Mr. Schreiber.

7 "Dear Mr. Prime Minister:
8 As a follow-up to our meeting of
9 last week, I have noted a few
10 items which I feel are important
11 for you to be aware of."

12 37971 Do you see that?

13 37972 THE RIGHT HON. BRIAN MULRONEY: Yes.

14 37973 MR. WOLSON: He then talks about the
15 Thyssen project, and at the bottom of the page:
16 "I think there is no need for me
17 to comment on the continuing
18 meeting we had with Mr. Tellier
19 after your departure, as I know,
20 Fred will do this. Rather, let
21 me lead your attention to items
22 which you were interested in."

23 37974 And here is where he starts to make
24 some accusations, at page 2 of the letter:
25 "In your presence..."

1 37975 -- he says:
2 "Mr. Tellier told you that DND
3 could buy the appropriate MRCV
4 for Canadian Forces for a price
5 of a \$500,000."
6 37976 Right?
7 37977 THE RIGHT HON. BRIAN MULRONEY: I see
8 that, yeah.
9 37978 MR. WOLSON: And he says, "This is
10 just nonsense."
11 37979 That's what the letter reads; right?
12 37980 THE RIGHT HON. BRIAN MULRONEY:
13 M'hmm.
14 37981 MR. WOLSON: So, basically, he is
15 challenging Mr. Tellier by that statement.
16 37982 THE RIGHT HON. BRIAN MULRONEY: It
17 would appear so, yeah.
18 37983 MR. WOLSON: Yeah. As between the
19 two of them, there is no doubt whose position you would
20 accept.
21 37984 THE RIGHT HON. BRIAN MULRONEY: Ten
22 times out of ten.
23 37985 MR. WOLSON: And it wouldn't be KHS.
24 37986 THE RIGHT HON. BRIAN MULRONEY:
25 Right.

1 37987 MR. WOLSON: Right.

2 37988 The second paragraph -- this is
3 Schreiber writing:
4 "Stanley Hartt showed me a
5 report from Paul Tellier, dated
6 August 10, 1990, in which it was
7 stated, 'Mr. McKnight is
8 strongly opposed to this project
9 on financial, policy and
10 operational grounds'. This
11 cannot be true, for Bill
12 McKnight told me several times,
13 in the presence of Elmer MacKay,
14 that he would love to go for the
15 project but that he
16 unfortunately had insufficient
17 funding in his department."
18 37989 So, again, he is telling you in this
19 letter that what Stanley Hartt and Paul Tellier are
20 saying isn't true.

21 37990 THE RIGHT HON. BRIAN MULRONEY:
22 That's right.

23 37991 It would appear to be right, yes.

24 37992 MR. WOLSON: And, quite frankly, as
25 between the three of them, you wouldn't be --

1 37993 THE RIGHT HON. BRIAN MULRONEY: Same
2 answer.

3 37994 MR. WOLSON: The same answer. It
4 wouldn't be KHS.

5 37995 THE RIGHT HON. BRIAN MULRONEY: No.

6 37996 MR. WOLSON: Going down the page:
7 "Lastly, about comments from Mr.
8 Fowler who told us from the
9 beginning we 'are not going to
10 get this project' and the
11 equally unbelievable remarks of
12 Lt. Gen Huddleston, I will only
13 remind you of our discussion."
14 37997 In other words, he is challenging
15 Fowler.

16 37998 THE RIGHT HON. BRIAN MULRONEY: M'hm.

17 37999 MR. WOLSON: Your answer, please?
18 38000 You said "M'hm". I want to get your
19 answer.

20 38001 THE RIGHT HON. BRIAN MULRONEY: I'm
21 sorry. Yes, he appears to be doing that, yes.

22 38002 MR. WOLSON: So here you are in and
23 around the 10th of April '91 and Mr. Schreiber is now
24 basically telling you that your people shouldn't be
25 believed.

1 38003 THE RIGHT HON. BRIAN MULRONEY:
2 That's right.

3 38004 MR. PRATTE: I'm just concerned about
4 some of the language -- I'm sorry, Mr. Wolson.

5 38005 But when we use the words "He's
6 telling you", "He's telling you", there is an
7 implication that what is told was heard.

8 38006 But the witness has said repeatedly
9 that he may not have seen those letters. So I'm just
10 concerned about the wording --

11 38007 THE RIGHT HON. BRIAN MULRONEY: I did
12 not see the letters.

13 38008 MR. PRATTE: -- that is being put
14 there and I don't want the implication or the language
15 there that may get lost when you say "He's telling you"
16 unless it is established that the letter was seen and
17 received.

18 38009 MR. WOLSON: Who sees this letter?
19 It doesn't go in the garbage.

20 38010 THE RIGHT HON. BRIAN MULRONEY: I
21 have no idea. It didn't come to me.

22 38011 MR. WOLSON: Well, somebody under
23 your charge would have access to the letter, I'm sure.

24 38012 THE RIGHT HON. BRIAN MULRONEY: I'm
25 sure.

1 38013 MR. WOLSON: And somebody who would
2 be seeing this you would expect -- or let me ask you.
3 38014 Do you tell your people if somebody
4 is going to challenge Mr. Tellier or Mr. Hartt or
5 Mr. Fowler, come to me, I want to hear about it?
6 38015 Would you be protective of your
7 people?
8 38016 THE RIGHT HON. BRIAN MULRONEY: Well,
9 of course I am protective of my people.
10 38017 MR. WOLSON: Of course.
11 38018 THE RIGHT HON. BRIAN MULRONEY: But
12 this would -- I think I testified here, sir, that none
13 of these letters came to me.
14 38019 MR. WOLSON: I don't doubt --
15 38020 THE RIGHT HON. BRIAN MULRONEY:
16 Lobbyist letters are a dime a dozen, and they don't
17 come to the Prime Minister. They go to correspondence
18 or wherever, and if somebody feels that someone in the
19 Chief of Staff's office or the Executive Assistant's
20 office should take a look at it, I assume they send it
21 to them, but not to the Prime Minister.
22 38021 I doubt if this stuff would ever get
23 to the Clerk of the Council or even the Chief of Staff
24 to the Prime Minister.
25 38022 MR. WOLSON: Well, looking at page

1 2 --

2 38023 THE RIGHT HON. BRIAN MULRONEY: M'hm.

3 38024 MR. WOLSON: -- what Schreiber says

4 is:

5 "In your presence, Mr. Tellier

6 told you..."

7 38025 What he told you; right?

8 38026 THE RIGHT HON. BRIAN MULRONEY: Yes,

9 indeed. I see that, but --

10 38027 MR. WOLSON: But Schreiber meets --

11 38028 THE RIGHT HON. BRIAN MULRONEY: You

12 said you were going to come back to Mr. Tellier's

13 letter.

14 38029 MR. WOLSON: Please, I will.

15 38030 THE RIGHT HON. BRIAN MULRONEY: Mr.

16 Tellier says everything that Schreiber said about him

17 and his meeting is false.

18 38031 MR. WOLSON: It's coming, I promise

19 you.

20 38032 THE RIGHT HON. BRIAN MULRONEY: Okay.

21 38033 MR. WOLSON: All right. I'm asking

22 you about --

23 38034 THE RIGHT HON. BRIAN MULRONEY: I

24 will wait then.

25 38035 MR. WOLSON: I'm asking you about

1 things that happened in your presence now.

2 38036 THE RIGHT HON. BRIAN MULRONEY: I
3 have no recollection. You can be certain -- let me
4 just guarantee you that you can be certain that if
5 anybody took a swipe at Paul Tellier or any one of my
6 senior people, or even junior people, they would have
7 heard about it right then.

8 38037 MR. WOLSON: Sure. You would take a
9 swipe at them.

10 38038 THE RIGHT HON. BRIAN MULRONEY:
11 Absolutely.

12 38039 MR. WOLSON: One moment, please.

13 --- Pause

14 38040 MR. WOLSON: Tab 54. We have waited
15 for it so we don't need a drumroll or anything, but it
16 is Tab 54.

17 38041 THE RIGHT HON. BRIAN MULRONEY: M'hm.

18 38042 MR. WOLSON: You have Tab 54, Book 1?

19 38043 THE RIGHT HON. BRIAN MULRONEY: Yes.

20 38044 MR. WOLSON: Okay. This is the
21 letter that you reviewed yesterday. You actually read
22 out where Mr. Tellier said inaccurate, wrong, whatever.

23 38045 I think that appears on page 1. It
24 appears on page 3. It appears on page 5. It appears
25 on page 7.

1 38046 Do you see that?

2 38047 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 And on the page 7, Paul Tellier underlines -- in regard

4 to the paragraph on page 7, he underlines it and says

5 "I never said this".

6 38048 So the letter is a litany of

7 inaccuracies and misstatements.

8 38049 MR. WOLSON: And I'm sure that it is,

9 but the point to be made is Tellier who is your -- he's

10 an integral part of your operation -- he is, is he not?

11 38050 THE RIGHT HON. BRIAN MULRONEY: Very

12 much so.

13 38051 MR. WOLSON: He is going to tell you

14 look at, Prime Minister -- he would call you Prime

15 Minister?

16 38052 THE RIGHT HON. BRIAN MULRONEY: M'hm.

17 38053 MR. WOLSON: Look at, Prime Minister,

18 this guy Schreiber is full of hot air.

19 38054 THE RIGHT HON. BRIAN MULRONEY: M'hm.

20 38055 MR. WOLSON: He would have told you

21 that. He would have told you that Schreiber is the

22 kind of guy that is making accusations. He is calling

23 me -- he is calling me a liar.

24 38056 He would have told you those things,

25 I'm sure.

1 38057 THE RIGHT HON. BRIAN MULRONEY: Look,
2 Paul Tellier is a big boy. He didn't rise to the top
3 in Ottawa and then accept appointment from me as
4 President and Chief Executive Officer of the CNR in
5 Montréal, go down there and clean it out and privatize
6 it without being a tough guy.

7 38058 He knew how to handle his own battles
8 and he knew what to do.

9 38059 MR. WOLSON: But more importantly, he
10 knew to protect you.

11 38060 THE RIGHT HON. BRIAN MULRONEY:
12 Absolutely he did.

13 38061 MR. WOLSON: And he is going to come
14 to you I'm sure and say, you know, watch your back
15 here, Prime Minister, this guy is not what he seems to
16 be.

17 38062 THE RIGHT HON. BRIAN MULRONEY: M'hm.

18 38063 MR. WOLSON: Right?

19 38064 THE RIGHT HON. BRIAN MULRONEY:
20 That's entirely possible. I haven't seen that
21 correspondence, but it's entirely possible.

22 38065 MR. WOLSON: Well, you talked to him
23 every morning and you talked to him every night.

24 38066 THE RIGHT HON. BRIAN MULRONEY:
25 That's right, yeah.

- 1 38067 MR. WOLSON: This is a guy that you
2 are starting -- you said this yesterday when you
3 testified, or the day before. You are starting to get
4 a picture of him and the picture that you started
5 getting wasn't the most favourable.
- 6 38068 THE RIGHT HON. BRIAN MULRONEY: I
7 don't think that is accurate at the time. We are still
8 at the Energizer Bunny stage really where he is really
9 driving this project hard.
- 10 38069 I have sympathy for it because of
11 Elmer, but I still don't know what's doing it, what's
12 driving it.
- 13 38070 I found this out yesterday or the day
14 before when the testimony was.
- 15 38071 MR. WOLSON: But you have your --
- 16 38072 THE RIGHT HON. BRIAN MULRONEY: He
17 has \$6.5 million in a success fee from Thyssen that was
18 never earned in his pocket and Thyssen are clearly
19 saying to him get something done here.
- 20 38073 MR. WOLSON: \$6.5 million is probably
21 chicken feed. He has 1.6 billion or eight on the
22 horizon.
- 23 38074 THE RIGHT HON. BRIAN MULRONEY:
24 That's exactly right.
- 25 38075 MR. WOLSON: But the point to be made

1 is your key people, Paul Tellier, Fowler, McKnight --
2 I'm sure I left out one or two of them -- are
3 basically -- Stanley Hartt -- are basically dealing
4 with a guy that is not being forthright, in their
5 opinion.

6 38076 THE RIGHT HON. BRIAN MULRONEY: That
7 is right.

8 38077 MR. WOLSON: And it would be hard to
9 imagine, knowing that this man was coming to see you on
10 a -- with some frequency. He saw you over a period of
11 time, trying to sell you something. It would be hard
12 to believe that your trusted people wouldn't say to
13 you, Prime Minister, you know, something is amiss here.

14 38078 THE RIGHT HON. BRIAN MULRONEY: No,
15 no, no one said that.

16 38079 MR. WOLSON: No one said that.

17 38080 THE RIGHT HON. BRIAN MULRONEY: No
18 one said that. Look, Elmer was moving this along. I
19 knew that things were not hunky-dory, but when he came
20 to see me -- and I don't think anybody would find this
21 offensive -- butter wouldn't melt in his mouth.

22 38081 As you can see from the letters that
23 we now have, he was polite, respectful, made his case
24 with persistence, but there was none of this horsing
25 around that we see in this correspondence, none

1 whatsoever.

2 38082 And Paul Tellier and Stanley Hartt,
3 these were not the kinds of people -- they dealt with
4 people like this every day. They didn't get alarmed or
5 excited by anything unless there was an indication that
6 would cause them great concern.

7 38083 MR. WOLSON: Did you deal with people
8 like this every day?

9 38084 THE RIGHT HON. BRIAN MULRONEY:
10 With...?

11 38085 MR. WOLSON: Like Schreiber?

12 38086 THE RIGHT HON. BRIAN MULRONEY: I
13 told you, butter wouldn't melt in his mouth when he
14 came to see me.

15 38087 MR. WOLSON: I see.

16 38088 THE RIGHT HON. BRIAN MULRONEY: When
17 I saw him, he was polite and respectful, the
18 confirmatory of the reputation that we all thought he
19 had.

20 38089 MR. WOLSON: And some of these
21 meetings take place in the presence of Tellier with you
22 there; right?

23 38090 THE RIGHT HON. BRIAN MULRONEY: Yes,
24 but there was nothing ever anything untoward said or
25 suggested or even any degree of a lack of politeness,

1 never in my presence.

2 38091 MR. WOLSON: Was this the starting
3 point of your learning? this Tellier letter, was it
4 the starting point of you seeing that all things
5 weren't as you thought they were?

6 38092 THE RIGHT HON. BRIAN MULRONEY: He
7 was cantankerous, he was ambitious. I did not know
8 about the causa causans of this, namely the
9 \$6.5 million that he already had. I didn't know that
10 at the time, nor did I know what he told you, sir, in
11 cross-examination about the 3 per cent of the worldwide
12 contract that he would claim for \$1.6 billion or
13 \$1.8 billion. I knew of course nothing about that.

14 38093 Until I left office I saw him the way
15 that I have described to you.

16 38094 The only thing that I couldn't figure
17 out was why he was so persistent because -- do you plan
18 before we break, sir, to go back to the conversation
19 with Spector, because I think that ties it together a
20 little bit?

21 38095 MR. WOLSON: I'm pleased if you feel
22 that you need to do that to explain what you want to
23 the Commissioner, by all means.

24 38096 I was hoping to finish this area --

25 38097 THE RIGHT HON. BRIAN MULRONEY: I

1 would just take one second.

2 38098 MR. WOLSON: Sure, go ahead.

3 38099 THE RIGHT HON. BRIAN MULRONEY: The
4 document, from memory, the document that you showed me
5 from Paul Tellier to Norm Spector I think was the 10th
6 of December 1990. I believe that was the date on it.

7 38100 MR. WOLSON: Yes.

8 38101 THE RIGHT HON. BRIAN MULRONEY: The
9 next day, or thereabouts, Spector, having received
10 this, gets in the car with me going to Buckingham,
11 Québec and he tells me then that the costs are going to
12 be really abusive.

13 38102 We were knee-deep in the recession at
14 the time and we had no money at all. Things that we
15 perhaps would liked to have done we couldn't even do.

16 38103 So Norm tells me about the costs of
17 this and that's when I say in that case it's dead, or
18 the government won't support this, words to that
19 effect.

20 38104 The next day, or soon thereafter, I
21 have seen the memorandum where Spector calls Tellier to
22 say I was with the Prime Minister yesterday and he says
23 this thing is over.

24 38105 And then there is a communication
25 from Tellier and Ron Bilodeau to Spector and others in

1 this regard, confirming that.

2 38106 When I gave Spector that directive
3 and he spoke to the Clerk of the Privy Council, passing
4 on exactly what I had said, this matter is dead, that
5 is the end of it in that configuration as far as I am
6 concerned.

7 38107 And that is the last correspondence
8 that I saw -- there may be more -- but that I saw that
9 I can remember in 1990 or 1991 around the Christmas
10 season. That is the way it ended, as far as I was
11 concerned, was the Buckingham trip with Norman Spector.

12 38108 And it just fit -- it was a fit I
13 thought with some of the earlier correspondence that
14 you produced. Thank you.

15 38109 MR. WOLSON: Thank you.

16 38110 Just referring to your testimony the
17 other day -- I'm going to read it to you, at page 3511.
18 You talked about the Tellier letter, the letter to
19 Tellier about not accurate, inaccurate, et cetera.

20 38111 THE RIGHT HON. BRIAN MULRONEY: Yes.

21 38112 MR. WOLSON: The letter we just
22 reviewed.

23 38113 THE RIGHT HON. BRIAN MULRONEY: M'hm.

24 38114 MR. WOLSON: And you said, at line

25 18:

1 "This is Mr. Tellier. I give
2 this guy the opportunity to meet
3 with Canada's number one public
4 servant, a guy of great
5 independent judgment, listen,
6 Tellier gave you the unvarnished
7 truth any time. He didn't give
8 a hell about anybody. He just
9 did his very best and told the
10 truth at all times.
11 So I gave him access to him, who
12 is a big decision maker. And
13 what does he do? He has the
14 meeting with him and then has
15 the temerity to write to him
16 summarizing the meeting with
17 seven different errors in there,
18 what Tellier says this never
19 happened and this is false.
20 This is the problem of dealing
21 with Mr. Schreiber."
22 38115 Mr. Pratte then says to you at 3512,
23 line 7:
24 "But did you know that at the
25 time?

1 You said:
2 "Right here.
3 MR. PRATTE: Did you know that
4 at the time?
5 THE RIGHT HON. BRIAN MULRONEY:
6 I was certainly learning it, but
7 I didn't know it was to this
8 extent, that's for sure."
9 38116 Is that a true statement?
10 38117 THE RIGHT HON. BRIAN MULRONEY: Yes.
11 What I was referring to was not that letter which I
12 hadn't seen, but a telephone call that I got from Paul
13 in that timeframe.
14 38118 MR. WOLSON: Yes...?
15 38119 THE RIGHT HON. BRIAN MULRONEY: Paul
16 Tellier called me and said something to the effect that
17 I have had an unpleasant meeting with Mr. Schreiber and
18 some of his people. I think my inquiry of him at the
19 time was: Was Elmer involved in it, in the meeting?
20 And he said no, he was not.
21 38120 The reason I asked that was that
22 Elmer MacKay is one of nature's gentlemen and you can
23 be certain that there would have been nothing untoward
24 ever being said in his presence.
25 38121 So I wanted to find out and he said

1 no, there were other people there, but not Mr. MacKay.

2 38122 MR. WOLSON: Well, I'm not finished
3 an area that I would otherwise have done, but I can
4 certainly do it tomorrow.

5 38123 It is 4:30. The Prime Minister --
6 former Prime Minister has been on the stand a long time
7 and it has been a long day.

8 38124 COMMISSIONER OLIPHANT: All right.
9 What are you suggesting in terms of a time to commence
10 tomorrow?

11 38125 MR. WOLSON: 9:31 -- 9:30.

12 --- Laughter / Rires

13 38126 COMMISSIONER OLIPHANT: All right.

14 38127 We will adjourn for the day and we
15 will be back tomorrow morning at 9:30.

16 38128 Please feel free to leave, folks.

17 --- Whereupon the hearing adjourned at 4:31 p.m.,
18 to resume on Friday, May 15, 2009 at 9:30 a.m. /
19 L'audience est ajournée à 16 h 31, pour reprendre
20 le vendredi 15 mai 2009 à 09 h 30

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

We hereby certify that we have accurately
transcribed the foregoing to the best of
our skills and abilities.

Nous certifions que ce qui précède est une
transcription exacte et précise au meilleur
de nos connaissances et de nos compétences.

Lynda Johansson

Jean Desaulniers

Fiona Potvin

Sue Villeneuve

