

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



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

## Public Hearing

## Audience publique

Commissioner

L'Honorable juge /  
The Honourable Justice  
Jeffrey James Oliphant

Commissaire

**Held at:**

Bytown Pavillion  
Victoria Hall 111 Sussex Drive  
Ottawa, Ontario  
Friday, May 15, 2009

**Tenue à :**

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

le vendredi 15 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 9:34 a.m. / L'audience débute à 9 h 34	4005
Previously sworn: The Right Hon. Brian Mulroney / Sous le même serment : Le Très Hon. Brian Mulroney	4005
Examination by Mr. Wolson (Cont'd)/ Interrogatoire par Me Wolson (suite)	4007
Recess taken at 10:58 a.m. / Suspension à 10 h 58 Hearing resumes at 11:27 a.m. / Reprise à 11 h 27	4084
Recess taken at 12:23 p.m. / Suspension à 12 h 23 Hearing resumes at 2:05 p.m. / Reprise à 14 h 05	4139
Hearing adjourns at 2:56 p.m. / L'audience est ajournée à 14 h 56	4194

**EXHIBITS / PIÈCES JUSTIFICATIVES**

No.	Description	PAGE
-----	-------------	------

1 Ottawa, Ontario / Ottawa (Ontario)

2 --- Upon resuming on Friday, May 15, 2009

3 at 9:34 a.m. / L'audience reprend le vendredi

4 15 mai à 9 h 34

5 38129 COMMISSIONER OLIPHANT: Good morning,  
6 counsel.

7 38130 Be seated, please.

8 38131 Mr. Wolson, good morning.

9 PREVIOUSLY SWORN: THE RIGHT HON. BRIAN MULRONEY /  
10 SOUS LE MÊME SERMENT : LE TRÈS HON. BRIAN MULRONEY

11 38132 MR. WOLSON: Good morning, sir.

12 38133 In terms of timing, we are at this  
13 situation. I don't think, given the fact that you have  
14 a commitment, an airplane to catch to attend to a  
15 matter that you talked about yesterday, your knee, I  
16 don't think that we will be able to finish with  
17 Mr. Mulroney today in my examination.

18 38134 You had indicated to me that you  
19 wanted to terminate proceedings today at 3 o'clock and  
20 that being the case, I will have a better idea at noon  
21 hour when we take a lunch break, how much more I have  
22 to do. But I don't think that we will be able to  
23 finish today.

24 38135 I don't think that will affect our  
25 overall schedule, because there are other counsel after

1 me that may have questions for Mr. Mulroney.

2 38136 I have told his counsel. I have told  
3 all counsel of the dilemma that we have, and you may  
4 wish to make a comment or two on it.

5 38137 COMMISSIONER OLIPHANT: Well, thank  
6 you.

7 38138 I have arranged for a medical  
8 appointment in Winnipeg with a doctor and will be  
9 returning there. I got a flight for this afternoon and  
10 it would be very convenient for me to be able to  
11 terminate this afternoon at 3:00 rather than 3:30.

12 38139 You are not going to get that much  
13 further in half an hour, in any event, and Mr. Mulroney  
14 will have to come back -- I'm sorry about that -- for  
15 cross-examination perhaps by Mr. Auger.

16 38140 I want you to have all the time you  
17 need as well, Mr. Wolson, to complete. I don't want  
18 you having to hurry to finish your job today.

19 38141 So I think what we will do is we will  
20 see where we are at noon. We can make a decision on  
21 the length of the lunch hour, but we will be  
22 terminating this afternoon at 3 o'clock.

23 38142 I hope that doesn't inconvenience  
24 anybody too much, but I note that it is also a long  
25 weekend and that may be of assistance to some.

1 CONTINUED EXAMINATION: THE RIGHT HON. BRIAN MULRONEY  
2 BY MR. WOLSON /  
3 INTERROGATOIRE (SUITE): LE TRÈS HON. BRIAN MULRONEY  
4 PAR Me WOLSON

5 38143 MR. WOLSON: Good morning,  
6 Mr. Mulroney.

7 38144 THE RIGHT HON. BRIAN MULRONEY: Good  
8 morning, sir.

9 38145 MR. WOLSON: We spent a good part of  
10 yesterday talking about the contacts that you had with  
11 Karlheinz Schreiber and there are some others that I  
12 want to refer you to this morning.

13 38146 You indicated yesterday that you saw  
14 Schreiber through either Fred Doucet or Elmer MacKay.

15 38147 That is so?

16 38148 THE RIGHT HON. BRIAN MULRONEY: Yes,  
17 sir.

18 38149 MR. WOLSON: That he had access  
19 through them and also saw a number of your Ministers  
20 and high-ranking public officials.

21 38150 You know that?

22 38151 THE RIGHT HON. BRIAN MULRONEY: Yes,  
23 sir.

24 38152 MR. WOLSON: You met with him --  
25 which we will get into in detail -- on four occasions:

1           one at Harrington Lake on the 23rd of June.

2       38153                    You agree with that?

3       38154                    THE RIGHT HON. BRIAN MULRONEY:  Yes.

4       38155                    MR. WOLSON:  You met with him on

5           three other occasions:  Mirabel, Queen Elizabeth and at

6           the Pierre Hotel, the last meeting being the 8th of

7           December 1994 at the Pierre Hotel.

8       38156                    THE RIGHT HON. BRIAN MULRONEY:  Yes.

9       38157                    MR. WOLSON:  On each of the last

10           three meetings he presented you with retainer monies.

11       38158                    THE RIGHT HON. BRIAN MULRONEY:  Yes.

12       38159                    MR. WOLSON:  In cash.

13       38160                    THE RIGHT HON. BRIAN MULRONEY:  Yes.

14       38161                    MR. WOLSON:  Your defender after --

15           one of your defenders, after the whole issue had come

16           up with the Letter of Request, the court Palais de

17           Justice, the discovery I should say, the civil trial

18           which was aborted at the last minute with the

19           government making a settlement with you, one of your

20           defenders was Bill Kaplan who wrote a book and defended

21           your reputation over the scandal.

22       38162                    Is that so?

23       38163                    THE RIGHT HON. BRIAN MULRONEY:  Yes,

24           sir.

25       38164                    MR. WOLSON:  You took him into your



1 confidence and gave him access to you and to your  
2 counsel and to those that were knowledgeable about the  
3 matters surrounding the Letter of Request and lawsuit.

4 38165 THE RIGHT HON. BRIAN MULRONEY: I  
5 think that is accurate, yes.

6 38166 MR. WOLSON: This is a man that you  
7 told on December 2, 1997 that you knew Schreiber in a  
8 peripheral way.

9 38167 THE RIGHT HON. BRIAN MULRONEY: Yes.

10 38168 MR. WOLSON: Is that a true  
11 statement?

12 38169 THE RIGHT HON. BRIAN MULRONEY: I  
13 knew Schreiber in a peripheral way. It is a true  
14 statement, yes, in the sense that I believe the context  
15 of the question was the nature of personal  
16 relationships.

17 38170 And I suppose, you know, if you  
18 looked at my situation, that I of course would have  
19 known my family and friends in an intimate way and I  
20 would have known my senior Cabinet as close friends and  
21 my advisors, and so on, and I would have known others  
22 as good friends from Baie Comeau, and so on.

23 38171 But at that point in time I knew  
24 Mr. Schreiber in a peripheral manner.

25 38172 I suppose that I perhaps could have

1           used a more descriptive phrase, but it wasn't intended  
2           to be pejorative or misleading; it was just a comment.

3       38173                   MR. WOLSON:  Even though you had  
4           entered into an agreement with Schreiber where  
5           thousands of dollars passed hands, that still is a  
6           peripheral relationship?

7       38174                   THE RIGHT HON. BRIAN MULRONEY:  Well,  
8           yes it is.  You can have --

9       38175                   MR. WOLSON:  I see.

10      38176                   THE RIGHT HON. BRIAN MULRONEY:  I  
11           think, sir, you can have clients or partners or  
12           investors who you do business with, but you might know  
13           them in a less than intimate or friendly manner.

14      38177                   MR. WOLSON:  You knew he --

15      38178                   THE RIGHT HON. BRIAN MULRONEY:  
16           That's all -- that's all that was meant by that.

17      38179                   MR. WOLSON:  Yes.  You knew that he  
18           was writing a book to defend your honour.

19      38180                   THE RIGHT HON. BRIAN MULRONEY:  I  
20           didn't know what the book would say.

21      38181                   MR. WOLSON:  Well, you knew at one  
22           point that -- well, I'm sure he told you that he was  
23           offended by what had happened to you and that he was  
24           going to defend you.  Obviously you had to know that.

25      38182                   He approached you, as I understand

1           it --

2       38183                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
3           he did.

4       38184                   MR. WOLSON:  -- and told you that he  
5           was upset with how you had been treated and that he  
6           wanted, as an historian, to set the record straight.  
7           He told you that.

8       38185                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
9           he did.

10      38186                   MR. WOLSON:  Yes.  Do you not think  
11           it would have been important to him to have told him  
12           about the commercial legal business relationship with  
13           Schreiber?

14      38187                   THE RIGHT HON. BRIAN MULRONEY:  I  
15           don't mean to be technical, sir, but I think it is fair  
16           to say that the book that Mr. Kaplan proposed to write  
17           dealt with the Airbus matter.  I think it's --  
18           exclusively.  That is the manner in which I was  
19           approached through two of his friends.  They approached  
20           me saying he wants to write about the Airbus matter.

21      38188                   And secondly I don't believe that in  
22           any of the discussions we had, Mr. Kaplan himself ever  
23           asked me about any nature of a commercial relationship  
24           or otherwise.

25      38189                   He asked me about the question that

1           you put and I responded the way I did in light of what  
2           I believed to be the context of the question, as I have  
3           told you: family, associates, advisors, fellow Cabinet  
4           Ministers, and friends.

5       38190                   MR. WOLSON: All right. So your view  
6           is that you did not deceive him or tried to put your  
7           relationship with Schreiber in a better light.

8       38191                   Is that your view?

9       38192                   THE RIGHT HON. BRIAN MULRONEY: No.  
10          I think it is certainly true to say, given what  
11          happened to me in 1995 in the Airbus matter where the  
12          accusations of criminal wrongdoing were put forward and  
13          promulgated in the media widely with, as we know now,  
14          no evidence whatsoever for it, clearly I was aware that  
15          if there had been in that context further comment in  
16          that regard, it wouldn't have been helpful obviously.

17       38193                   I was aware of that, but I was also  
18          aware of my obligation to be truthful under oath and I  
19          was, as I told you yesterday.

20       38194                   MR. WOLSON: Well, when you were  
21          talking to Mr. Kaplan, you didn't have to concern  
22          yourself with the four corner rule that we talked about  
23          yesterday.

24       38195                   THE RIGHT HON. BRIAN MULRONEY: Well,  
25          that's precisely why.

1 38196 MR. WOLSON: Yes.

2 38197 THE RIGHT HON. BRIAN MULRONEY: He  
3 came to me -- he came to me through **intermediaries** and  
4 he asked to write a book about Airbus, and I was happy  
5 to deal with him on that basis, happy to deal with him.  
6 And I dealt with him truthfully.

7 38198 I think he has written or testified  
8 that he himself never asked me the question about any  
9 commercial relationships with -- I believe that to be  
10 the case. I may be wrong, but I think it's true.

11 38199 And that had he asked me, I would  
12 have been truthful with him.

13 38200 MR. WOLSON: You see, he too -- and  
14 he did testify about that. But he too, like your  
15 examiner, Mr. Sheppard, he too didn't know about your  
16 commercial relationship with Mr. Schreiber. So if he  
17 didn't know about it and he were told you knew the man  
18 in a peripheral way, I suppose quite frankly the  
19 average person would say: How would he know to ask a  
20 question about further commercial involvements?

21 38201 But I think we have your point,  
22 unless you want to say anything else.

23 38202 THE RIGHT HON. BRIAN MULRONEY: I  
24 just wanted to say, sir, that, you know, you referred  
25 again to Mr. Sheppard not knowing certain things. But

1 I thought that's what an examination on discovery was  
2 all about.

3 38203 MR. WOLSON: Well, you knew he  
4 couldn't go fishing.

5 38204 THE RIGHT HON. BRIAN MULRONEY:  
6 Pardon?

7 38205 MR. WOLSON: You knew that he  
8 couldn't go on a fishing expedition.

9 38206 THE RIGHT HON. BRIAN MULRONEY: I  
10 knew that, but he was certainly entitled to ask a lot  
11 more questions than he did and more specific questions.

12 38207 MR. WOLSON: I see.

13 38208 THE RIGHT HON. BRIAN MULRONEY: Look,  
14 this might sound perhaps technical to some people, but  
15 I ask you simply to remember the context again.

16 38209 At that point I am fighting for my  
17 life and my family's honour. I am confronted by the  
18 Government of Canada spending millions and millions of  
19 dollars for top legal -- top-flight legal assistance,  
20 and so on.

21 38210 As I indicated -- and I think it is  
22 worth mentioning because it is important -- I had  
23 offered the government full and complete cooperation  
24 prior to the publication of the letter. They turned us  
25 down flat. I walk into the courtroom in Montréal.

1           There are nine lawyers lined up there, I believe on  
2           behalf of the Federal Government, and they are out to  
3           destroy me. They are out to damage my family and me.

4       38211                   And they have turned us down 14  
5           months earlier and they have been as hostile as a man  
6           can imagine ever since; difficult, demanding, brutal  
7           and hostile to me and my representatives.

8       38212                   So I am told to go in there and deal  
9           with it in exactly the truthful manner that I did.

10      38213                   But why was Mr. Sheppard there, sir?  
11           He was there under Québec law, the equivalent of a  
12           refined or confined examination on discovery. That is  
13           what an examination on discovery was about: to learn  
14           what he wanted to learn.

15      38214                   It's not -- I don't think, and I  
16           certainly was advised, that it wasn't my  
17           responsibility, as I indicated, to say to Mr. Sheppard  
18           or his eight colleagues who were there: By the way,  
19           sir, you forgot to ask me this or you should have asked  
20           me that.

21      38215                   I may be wrong. Perhaps I  
22           misconstrued what I ought to have done, but I was told  
23           not to do that.

24      38216                   MR. WOLSON: I see. All right.

25      38217                   I'm going to move on, then. I just

1           wanted to get your view on that. We will come back to  
2           Mr. Kaplan a little later on.

3       38218                   I want to go back to the contacts  
4           that you had with Mr. Schreiber.

5       38219                   So if you could please take the  
6           Compendium binder -- Mr. Hughes is going to give that  
7           to you. Thank you, Mr. Hughes.

8       38220                   If you would go, please, to Tab 8.

9       38221                   THE RIGHT HON. BRIAN MULRONEY: M'hm.

10      38222                   MR. WOLSON: The first document in  
11           Tab 8 is Mr. Schreiber's diary.

12      38223                   Are you there with me, sir?

13      38224                   THE RIGHT HON. BRIAN MULRONEY: Yes,  
14           sir.

15      38225                   MR. WOLSON: And it says, at "15:45  
16           Elmer, Brian, Centre Block".

17      38226                   Are you there?

18      38227                   THE RIGHT HON. BRIAN MULRONEY: Yes,  
19           I am.

20      38228                   MR. WOLSON: And then if you turn the  
21           page, you have in your schedule "3:45 Mtg. Elmer  
22           MacKay/Karlheinz Schreiber".

23      38229                   Do you have that?

24      38230                   THE RIGHT HON. BRIAN MULRONEY: Yes,  
25           I do. That's right.



1 38231 MR. WOLSON: What was discussed at  
2 that meeting? Was that a meeting to discuss the Bear  
3 Head Project?

4 38232 THE RIGHT HON. BRIAN MULRONEY: I  
5 would assume so. It would have been organized by  
6 Elmer.

7 38233 MR. WOLSON: Were all your meetings  
8 with Mr. Schreiber about the Bear Head Project?

9 38234 THE RIGHT HON. BRIAN MULRONEY: I  
10 believe so.

11 38235 MR. WOLSON: You didn't have social  
12 get-togethers in terms of him coming with MacKay or  
13 Doucet to just shoot the breeze?

14 38236 THE RIGHT HON. BRIAN MULRONEY: No.

15 38237 MR. WOLSON: Okay. So they were all  
16 business?

17 38238 THE RIGHT HON. BRIAN MULRONEY: When  
18 Mr. MacKay or Mr. Doucet was involved, they were  
19 business.

20 38239 MR. WOLSON: All right. Then if you  
21 turn the page --

22 38240 THE RIGHT HON. BRIAN MULRONEY: Look,  
23 did we -- okay. Would Elmer have raised something  
24 unrelated in a meeting? It's entirely possible. But  
25 the object of the meeting was to --

1           38241                   MR. WOLSON:  So you could say this,  
2                   then, I would think.  There was a social aspect to it,  
3                   but the predominant part was business.

4           38242                   Would that be a fair statement?

5           38243                   THE RIGHT HON. BRIAN MULRONEY:  No,  
6                   it was an entirely business matter where social  
7                   comments by Elmer or Fred may have been made.

8           38244                   MR. WOLSON:  Not by Mr. Schreiber?

9           38245                   THE RIGHT HON. BRIAN MULRONEY:  Well,  
10                   he may have joined in, but not in any special way.

11          38246                   MR. WOLSON:  All right.  Then if you  
12                   turn the page in Tab 8, May 6, 1992.

13          38247                   THE RIGHT HON. BRIAN MULRONEY:  M'hm.

14          38248                   MR. WOLSON:  So Mr. Schreiber is  
15                   writing you another letter.

16          38249                   THE RIGHT HON. BRIAN MULRONEY:  M'hm.

17          38250                   MR. WOLSON:  And the letter that he  
18                   writes to you says:  "Dear Prime Minister".

19          38251                   And it is the 6th of May 1992, so it  
20                   is one day after your meeting with him and MacKay:

21                                   "I would like to thank you very  
22                                   much for finding the time to  
23                                   meet with me yesterday  
24                                   especially when you are so busy  
25                                   with the constitutional issue.

1 I was also greatly heartened by  
2 your sympathetic understanding  
3 of the situation and your  
4 determination to set things in  
5 train."

6 38252 Which is an expression you have used  
7 yesterday.

8 "As you recommended..."

9 38253 So he is saying to you that you  
10 recommended this:

11 "As you recommended, we are now  
12 working on a 2 page summary of  
13 the actions necessary to realize  
14 the project as you would like to  
15 see it."

16 38254 Is that a true statement?

17 38255 THE RIGHT HON. BRIAN MULRONEY: No.

18 38256 MR. WOLSON: What happens to these  
19 letters? I mean the man sends you letters and --

20 38257 THE RIGHT HON. BRIAN MULRONEY: M'hm.

21 38258 MR. WOLSON: For instance, when he  
22 sent you the letter that you talked about yesterday,  
23 the so-called blackmail letter well down in time, you  
24 saw that letter?

25 38259 THE RIGHT HON. BRIAN MULRONEY: Yes,

1 he sent it to my private fax in Montréal.

2 38260 MR. WOLSON: Okay. But letters that  
3 he sent to you when you were the Prime Minister, you  
4 say you never got them. You never saw them, never knew  
5 of their existence?

6 38261 THE RIGHT HON. BRIAN MULRONEY: I did  
7 not. I am completely unaware of ever having seen any  
8 of these correspondences. I would be happy to tell you  
9 if I had. I have no recollection of it. And I really  
10 wasn't surprised, because by and large I was not given  
11 the correspondence by lobbyists or by promoters of  
12 various things. Your briefcases would have been filled  
13 with nothing but and that did not take place.

14 38262 MR. WOLSON: I will continue on for a  
15 minute.

16 38263 He says:

17 "As you recommended, we are now  
18 working on a 2 page summary ...  
19 to realize the project as you  
20 would like to see it."

21 38264 THE RIGHT HON. BRIAN MULRONEY: M'hm.

22 38265 MR. WOLSON: And he goes on to say:  
23 "The activity we will engage in  
24 the next few days includes an  
25 investigation of the situation

1                                   for establishment of the project  
2                                   in East Montréal."

3       38266                       THE RIGHT HON. BRIAN MULRONEY:  M'hm.

4       38267                       MR. WOLSON:  Did you know that the  
5           project was going to east Montréal --

6       38268                       THE RIGHT HON. BRIAN MULRONEY:  No.

7       38269                       MR. WOLSON:  -- as a proposal?

8       38270                       THE RIGHT HON. BRIAN MULRONEY:  I  
9           explained to you yesterday I think, sir, that this  
10          thing was being essentially reconfigured from time to  
11          time, depending on the change in circumstances.

12      38271                       MR. WOLSON:  But did you know that  
13          part of the reconfiguration was to go to Montréal?

14      38272                       THE RIGHT HON. BRIAN MULRONEY:  I  
15          knew that they talked about that, yes.

16      38273                       MR. WOLSON:  All right.  And he goes  
17          on to say, in the third paragraph:

18                                   "I would also like to inform you  
19                                   that after the meeting with you,  
20                                   Elmer and I had a very good  
21                                   meeting with Marcel Masse..."

22      38274                       THE RIGHT HON. BRIAN MULRONEY:  M'hm.

23      38275                       MR. WOLSON:

24                                   "... and I expect to meet with  
25                                   him again next week."

1       38276                   Then he says:

2                                "With regard to your

3                                suggestion..."

4       38277                   THE RIGHT HON. BRIAN MULRONEY:  M'hm.

5       38278                   MR. WOLSON:

6                                "... that we get together when

7                                you are in Munich, perhaps you

8                                would ask one of your staff to

9                                give me information on your

10                               program, so that my family and I

11                               can help you and your family to

12                               enjoy your visit to our home

13                               city."

14       38279                   Of course, the offer he says -- he

15                               makes you an offer on your suggestion.

16       38280                   Did you make that suggestion to him?

17       38281                   THE RIGHT HON. BRIAN MULRONEY:  Of

18                               course not.  I am going to a G7 Summit, or whatever it

19                               was in Munich, and I am asking Mr. Schreiber -- I make

20                               a suggestion that during the G7 Summit that he and I

21                               should get together when I have never, ever seen him

22                               socially in my life except outside of fund raising

23                               dinners, I guess?

24       38282                   I would simply refer you to the

25                               comments on Mr. Tellier's letters, Tellier's letter

1           yesterday, when Mr. Schreiber wrote to Mr. Tellier.  
2           Mr. Tellier at six -- five or six occasions said in the  
3           margins "not true", "I never said that", "this is  
4           false" kind of thing.

5           38283                   MR. WOLSON: That's part of the whole  
6           point though, isn't it, sir. You have your senior  
7           people who are surrounding you and protecting you --  
8           you have told us that. Schreiber is writing false  
9           statements to them or inaccurate statements to them  
10          about a very project that you had a sincere desire to  
11          see happen for the reasons you have articulated, all  
12          proper reasons --

13          38284                   THE RIGHT HON. BRIAN MULRONEY:  
14          Excuse me.

15          38285                   MR. WOLSON: Yes...?

16          38286                   THE RIGHT HON. BRIAN MULRONEY: Until  
17          I cancelled it.

18          38287                   MR. WOLSON: Until you cancel it.

19          38288                   THE RIGHT HON. BRIAN MULRONEY: Until  
20          I killed the project.

21          38289                   MR. WOLSON: You killed the project  
22          but it kept coming back.

23          38290                   THE RIGHT HON. BRIAN MULRONEY: In  
24          different configurations.

25          38291                   MR. WOLSON: Absolutely.

1 38292 THE RIGHT HON. BRIAN MULRONEY: And  
2 you and I chatted yesterday --

3 38293 MR. WOLSON: Yes...?

4 38294 THE RIGHT HON. BRIAN MULRONEY: -- as  
5 to why this was going on. I think we know part of the  
6 answer now.

7 38295 We didn't know that he got  
8 \$6.5 million on a project that had been cancelled by  
9 me. We didn't know that. I told you --

10 38296 MR. WOLSON: Mr. Mulroney --

11 38297 THE RIGHT HON. BRIAN MULRONEY: --  
12 that he kept coming back with these various amendments,  
13 that's all.

14 38298 MR. WOLSON: Mr. Mulroney, the point,  
15 though, to be made is they kept coming back and you  
16 kept being interested in them for the very reason that  
17 if, for instance, the project went to east Montréal  
18 it's jobs and jobs are critical in areas where --

19 38299 THE RIGHT HON. BRIAN MULRONEY: Sure.

20 38300 MR. WOLSON: -- where they are  
21 needed. And you as Prime Minister have said come and  
22 bring me 1,000 jobs or 500 jobs and, you know, I will  
23 go to -- I will go to the well for you if we can do it.

24 38301 THE RIGHT HON. BRIAN MULRONEY: I  
25 would certainly be interested in it.



1           38302                   MR. WOLSON:  Yes.  So the point is  
2           that while you killed the project, the project wasn't  
3           dead and kept coming back to you.

4           38303                   THE RIGHT HON. BRIAN MULRONEY:  It  
5           was being resurrected.

6           38304                   MR. WOLSON:  Yes.

7           38305                   THE RIGHT HON. BRIAN MULRONEY:  And  
8           in its new resurrected form I was being introduced to  
9           it by Mr. Schreiber through Mr. MacKay.  I saw him at  
10          the request of Mr. MacKay.

11          38306                   My loyalty and friendship and my  
12          sense of obligation towards Mr. MacKay and what he had  
13          done for me was not diminished by the fact that this  
14          was no longer there, the possibility in eastern Nova  
15          Scotia.  So if Elmer wanted to see me, I certainly saw  
16          him without hesitation.

17          38307                   May I just for clarification say  
18          something, sir?

19          38308                   MR. WOLSON:  Absolutely.

20          38309                   THE RIGHT HON. BRIAN MULRONEY:  I  
21          wouldn't want you to assume -- and perhaps you don't --  
22          that the fact that Mr. Tellier or Mr. Fowler had  
23          negative impressions growing that they conveyed these  
24          to me, I never saw the letter that Mr. Tellier -- on  
25          which he wrote this is not true, I never saw that until

1           it was given to me in the light of this inquiry.

2       38310                   MR. WOLSON:  And he never said to you  
3           or one of your other Ministers or Deputy Ministers,  
4           look at, boss, we have a problem.  This guy who is  
5           coming to us all the time is a bit of a prevaricator.

6       38311                   THE RIGHT HON. BRIAN MULRONEY:  No,  
7           he --

8       38312                   MR. WOLSON:  He is not being  
9           truthful.

10      38313                   THE RIGHT HON. BRIAN MULRONEY:  No  
11           one ever said that to me.

12      38314                   MR. WOLSON:  I see.

13      38315                   THE RIGHT HON. BRIAN MULRONEY:  The  
14           only communication I had from Mr. Tellier, the only  
15           communication I had, was after he had some kind of a  
16           disagreeable incident in his office, or an unpleasant  
17           incident in his office, with Mr. Schreiber and  
18           Mr. Doucet, I believe.  And he called me to tell me  
19           about it.

20      38316                   It registered with me, but I knew  
21           full well that Paul Tellier didn't need any direction  
22           from me as to how to deal with people who were  
23           conducting themselves in a less than polite manner.  He  
24           knew -- he had been around the Mulberry Bush, believe  
25           me, and he knew all about how to handle these people.

1           38317                   MR. WOLSON:  If it registered with  
2           you, would it not have had the effect of putting up a  
3           caution flag at least that this guy may be not what he  
4           appears to be, the gregarious, pleasant, polite  
5           Mr. Schreiber that you had described?

6           38318                   THE RIGHT HON. BRIAN MULRONEY:  I  
7           think you are right.  Had this been brought to my  
8           attention -- let's focus for one second on the Tellier  
9           letter.

10          38319                   Had that been brought to my  
11          attention, the various comments that Paul made on  
12          that -- and you know, I'm responding to a question of  
13          some 12 or 15 years ago, so there may be some  
14          exceptions to this.

15          38320                   But I just assume that if I had that  
16          letter, I would have said to Elmer:  Elmer, what the  
17          hell is going on here?  I have a note from Paul  
18          Tellier, who is absolutely incorruptible, who is as  
19          tough as nails, and he's -- not only did he phone me,  
20          after the phone call he sent me a copy of another  
21          letter where he has written "untrue", and so on, on it.  
22          What the hell is going on here with this guy?

23          38321                   I never got that.

24          38322                   MR. WOLSON:  You have said that  
25          initially, when the Bear Head Project had come to you,

1           you thought that it wasn't going to cost the government  
2           any money.

3           38323                   THE RIGHT HON. BRIAN MULRONEY:  No,  
4           I'm sorry, I didn't say that.  I said that there were  
5           going to be infrastructure costs associated with the  
6           project, both from us and the Government of Nova  
7           Scotia, but not exceptional in any way.

8           38324                   That was my original belief.  Indeed,  
9           if you go back to the letter -- the first written  
10          communication that my government received from Thyssen  
11          in 1985, in a letter from Thyssen to Sinclair Stevens,  
12          who was then Minister of Industrial Development, you  
13          will see that -- it's very clear there is an  
14          implication that no cost at all was going to be  
15          involved in this, and, I think I am right in saying  
16          this, no suggestion that the Government of Canada would  
17          be on the hook for 250 of these vehicles as a  
18          preliminary cost.

19          38325                   MR. WOLSON:  All right.  So you start  
20          with the letter that you say you were aware of --

21          38326                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

22          38327                   MR. WOLSON:  -- where there was going  
23          to be no cost.  That's the first --

24          38328                   THE RIGHT HON. BRIAN MULRONEY:  I  
25          think that's right, sir.

1       38329                   MR. WOLSON: All right. Then you  
2           learn that there are going to be costs, but they are  
3           modest in comparison to the good that it will do for  
4           that area of the country.

5       38330                   THE RIGHT HON. BRIAN MULRONEY:  
6           That's right.

7       38331                   MR. WOLSON: Then you find out in  
8           1990, from your chief of staff, Norm Spector, that it's  
9           going to be as much as \$765 million.

10      38332                   THE RIGHT HON. BRIAN MULRONEY:  
11           M'hmm.

12      38333                   MR. WOLSON: Your answer is yes?

13      38334                   THE RIGHT HON. BRIAN MULRONEY: I  
14           think what Norm told me that day in the car was that it  
15           was going to be either a minimum of \$100 million or  
16           \$200 million more than anything that I had ever seen.

17      38335                   I think that Norm believed that I  
18           believed, which was true, that this was going to be  
19           essentially cost-free.

20      38336                   MR. WOLSON: When you found that  
21           out -- I mean, \$100 million, \$200 million doesn't seem  
22           like much when you say it quickly --

23      38337                   THE RIGHT HON. BRIAN MULRONEY: Yeah.

24      38338                   MR. WOLSON: -- but when you found  
25           that out, wouldn't you have thought: My, I am being

1           deceived here. I am being given a sale of goods. I am  
2           told that this is either going to cost the government  
3           nothing, or it's going to be something modest that  
4           would be outweighed by the good that it would do for  
5           that part of the country.

6       38339                   And now you are told that it's \$100  
7           million --

8       38340                   THE RIGHT HON. BRIAN MULRONEY: Yeah.

9       38341                   MR. WOLSON: I think there is an  
10          aide-mémoire that we talked about yesterday that said  
11          as high as \$765 million.

12       38342                   Wouldn't that have put a caution in  
13          your mind that maybe someone is trying to sell you a  
14          bill of goods which is faulty?

15       38343                   THE RIGHT HON. BRIAN MULRONEY: It's  
16          not unusual that there are cost overruns in proposals  
17          to government. It's not unusual that business plans --  
18          and I don't believe there was one here -- that business  
19          plans turn out to be less than accurate in their  
20          forecasts, and it happens fairly often.

21       38344                   I think the first costs for the  
22          development of the Mirabel airport some years ago were  
23          about \$50 million for openers and a couple of hundred  
24          after that. It was \$6 billion by the time they got it  
25          done, and they had to shut it down because there was no

1 business.

2 38345 MR. WOLSON: So from zero to \$200  
3 million is acceptable?

4 38346 THE RIGHT HON. BRIAN MULRONEY: It  
5 was certainly unacceptable in the economic straights in  
6 which we found ourselves, in the middle of a recession.

7 38347 Obviously I wasn't pleased, because I  
8 killed the project. But was I startled by the fact  
9 that it had gone up? No. That happens frequently in  
10 government.

11 38348 MR. WOLSON: All right. Let's  
12 continue on with Tab 8. If you turn the page, you will  
13 see a letter from Schreiber to you, telling you that  
14 "We just had conducted" -- about the meeting that he  
15 had with Marcel Masse. That's a May 6th letter.

16 38349 If you flip the page, there is a May  
17 13th letter from Schreiber to Mr. Masse.

18 38350 Do you have that, sir?

19 38351 THE RIGHT HON. BRIAN MULRONEY: I'm  
20 sorry, what tab?

21 38352 MR. WOLSON: Tab 8.

22 38353 If you go about three in at Tab 8,  
23 you should find May 13th, '92 in the right-hand corner.

24 38354 THE RIGHT HON. BRIAN MULRONEY: Yes.

25 38355 MR. WOLSON: This is the continuation

1 of the May discussion that we are having, and you will  
2 see a letter to Marcel Masse from Schreiber, talking  
3 about going to East Montreal.

4 38356 I want to point out, on the second  
5 page of the letter, in the penultimate paragraph, that  
6 Schreiber says to Minister Masse:

7 "You must understand that I  
8 cannot proceed as agreed with  
9 the Prime Minister to organize  
10 the necessary funding, nor can a  
11 draft contract be proposed until  
12 you and I have reached agreement  
13 through a Memorandum of  
14 Understanding."

15 38357 Do you see that?

16 38358 THE RIGHT HON. BRIAN MULRONEY: Yes.

17 38359 MR. WOLSON: So he is telling Marcel  
18 Masse, who is your Minister of National Defence at the  
19 time -- right?

20 38360 THE RIGHT HON. BRIAN MULRONEY: Yes.

21 38361 MR. WOLSON: He is telling Mr. Masse:  
22 I cannot proceed as agreed with the Prime Minister.

23 38362 So he is throwing your name around  
24 again.

25 38363 THE RIGHT HON. BRIAN MULRONEY:



1           Obviously.

2       38364                   MR. WOLSON: Did Marcel Masse come to  
3           you and say, as you had instructed your ministers:  
4           Prime Minister, I've got this man coming to me about  
5           something he says you agreed to. What is your  
6           instruction on it?

7       38365                   Did Mr. Masse do that?

8       38366                   THE RIGHT HON. BRIAN MULRONEY: No,  
9           he didn't.

10      38367                   And I don't think, in fairness to  
11           both Mr. Schreiber and Mr. Masse, that this was covered  
12           by the injunction that I gave the ministers. I simply  
13           said to the ministers: If people go into your office  
14           and purport to say that the Prime Minister wants this,  
15           or the PMO wants that -- and they are speaking clearly  
16           in my name -- first throw them out, and secondly, call  
17           me.

18      38368                   This, I don't think, falls within the  
19           purview of that interdiction.

20      38369                   MR. WOLSON: "I cannot proceed as  
21           agreed with the Prime Minister" is outside that  
22           purview, in your opinion.

23      38370                   THE RIGHT HON. BRIAN MULRONEY: Well,  
24           first of all, I didn't see the letter. I never got a  
25           copy of this letter.

1           38371                   MR. WOLSON:  No, but that's not the  
2                   point.  You see it now, and I say to you that it was  
3                   sent to Mr. Masse.

4           38372                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

5           38373                   MR. WOLSON:  Mr. Masse didn't come to  
6                   you and say:  Prime Minister, this is the letter that I  
7                   received.  He is using your name that you and he agreed  
8                   on something.  I am coming to you because you have told  
9                   me, Prime Minister, that I should --

10          38374                   THE RIGHT HON. BRIAN MULRONEY:  No,  
11                   he did not.

12          38375                   MR. WOLSON:  -- be visiting you in  
13                   these circumstances.

14          38376                   THE RIGHT HON. BRIAN MULRONEY:  No,  
15                   he did not.

16          38377                   MR. WOLSON:  He didn't come to you.  
17                   Okay.

18          38378                   The same tab, next page -- May 13th,  
19                   `92, a letter from Schreiber to you.

20          38379                   THE RIGHT HON. BRIAN MULRONEY:  Yeah.

21          38380                   MR. WOLSON:  
22                                    "Subsequent to our meeting of  
23                                    last week and the meeting with  
24                                    the Hon. Marcel Masse, I am  
25                                    pleased to inform you I have now

1                   had very encouraging meetings  
2                   with representatives of the  
3                   Premier and officials  
4                   from Quebec, and with four  
5                   senior Army Generals."

6       38381                   And he goes on to tell you about  
7                   that.

8       38382                   That's not a letter you have seen  
9                   either?

10      38383                   THE RIGHT HON. BRIAN MULRONEY: No.

11      38384                   Any more, I may say -- I understand  
12                   that it was raised as part of the mandate -- any more  
13                   than, for example, Prime Minister Harper would have  
14                   seen any of -- all of that correspondence, or Prime  
15                   Minister Chrétien, or anybody. In my experience, it  
16                   just doesn't happen that this kind of information is  
17                   automatically conveyed to the Prime Minister.

18      38385                   MR. WOLSON: You better watch what  
19                   you say, sir, or we will have to get you back for Part  
20                   2 when we do the policy on letters and things like  
21                   that.

22      38386                   We will continue on to Tab No. 9.

23      38387                   THE RIGHT HON. BRIAN MULRONEY: I  
24                   have enjoyed this experience so much that I would be  
25                   delighted to return.

1           --- Laughter / Rires

2       38388                   MR. WOLSON: Watch what you wish for.

3       38389                   COMMISSIONER OLIPHANT: With bells

4           on?

5       38390                   THE RIGHT HON. BRIAN MULRONEY: Yes,

6           sir.

7       38391                   MR. WOLSON: Let me put this in

8           perspective when I refer you to Tab 9.

9       38392                   THE RIGHT HON. BRIAN MULRONEY: Yes.

10      38393                   MR. WOLSON: Apparently, Schreiber

11           is -- and he has testified to this, that he is often

12           out of the country. You knew that, you told Mr.

13           Sheppard about that.

14      38394                   THE RIGHT HON. BRIAN MULRONEY:

15           M'hmm.

16      38395                   MR. WOLSON: I would really like to

17           get you to say yes --

18      38396                   THE RIGHT HON. BRIAN MULRONEY: Yes,

19           I'm sorry.

20      38397                   MR. WOLSON: -- or anything else you

21           would like to say.

22      38398                   So we have Schreiber out of the

23           country. This is Fred Doucet's daytimer. November

24           23rd --

25      38399                   Are you there?

1 38400 THE RIGHT HON. BRIAN MULRONEY: Yes,  
2 I am.

3 38401 MR. WOLSON: At 1500 hours it says  
4 "Karlheinz is in town."

5 38402 Do you see that on the left-hand side  
6 of the page?

7 38403 THE RIGHT HON. BRIAN MULRONEY: Yes,  
8 I do.

9 38404 MR. WOLSON: Then, if you turn over  
10 to the right side of that page, November 24th,  
11 Schreiber has come into town, and you see, at four  
12 o'clock on the 24th, that Mr. Doucet has a circle  
13 around 1600 hours, and an arrow down to "PM" at the  
14 bottom of the page.

15 38405 Do you see that?

16 38406 THE RIGHT HON. BRIAN MULRONEY: Yes,  
17 I do.

18 38407 MR. WOLSON: Indicating, he said, a  
19 meeting with the Prime Minister.

20 38408 If you flip the page over, this is  
21 now back to Schreiber's diary, and if you go to the  
22 24th of November, he has at 4:30, "Centre Block -- PM."

23 38409 Do you see that?

24 38410 November 24th at 1630 hours.

25 38411 THE RIGHT HON. BRIAN MULRONEY:

1           "1630 -- Centre Block" --

2       38412                   MR. WOLSON:  It's "1630 PM" that he

3           has.

4       38413                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

5       38414                   MR. WOLSON:  "PM" meaning you, sir,

6           he said.

7       38415                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

8       38416                   MR. WOLSON:  Do you see that?

9       38417                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

10           It says "1630 PM," in the afternoon, "Centre Block --

11           Paul Smith."

12       38418                   MR. WOLSON:  Yes, but he's not saying

13           "p.m.", afternoon, according to Schreiber; "PM" being

14           Prime Minister.

15       38419                   Then, when you key that back to the

16           previous page, you have Mr. Doucet also having:  1600

17           hours -- Prime Minister.

18       38420                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

19       38421                   MR. WOLSON:  Go to the next page, if

20           you will.

21       38422                   Schreiber has come into town.  He

22           says that he has seen you on the 24th.  Now, on the

23           25th, at nine o'clock, there is a German word meaning

24           breakfast -- "PM Mulroney".

25       38423                   Do you see that?

1       38424                   THE RIGHT HON. BRIAN MULRONEY: I see  
2           that, yeah.

3       38425                   MR. WOLSON: So the man has just come  
4           back into town from Germany --

5       38426                   THE RIGHT HON. BRIAN MULRONEY:  
6           M'hmm.

7       38427                   MR. WOLSON: -- and he has seen you  
8           on the 24th, according to him. He is now having  
9           breakfast with you on the 25th.

10      38428                   THE RIGHT HON. BRIAN MULRONEY: Yes.

11      38429                   MR. WOLSON: And if you turn the  
12           page, please, one more page -- November 25th, which is  
13           the day that Schreiber says he is having breakfast with  
14           you, you have at nine o'clock, "Private breakfast --  
15           MacKay/McLaughlin".

16      38430                   Right?

17      38431                   THE RIGHT HON. BRIAN MULRONEY: Yes.

18      38432                   MR. WOLSON: If you turn the page,  
19           you have a letter -- December 3rd -- so about a week  
20           later, after the 24th, Schreiber is again sending you a  
21           letter:

22                               "First I want to thank you for  
23                               providing me the great honour of  
24                               again being a guest at your home  
25                               for a most delightful breakfast





1 think -- in his letter, he also says:

2 "Thank you for asking David  
3 McLaughlin (sic) with overseeing  
4 the progress of Thyssen."

5 38444 David MacLaughlin, at that time,  
6 would have been one of the deputies to the chief of  
7 staff, and it would not have been unusual --

8 38445 First, he was at the meeting. I  
9 remember seeing that photo. The meeting seemed to be  
10 myself, Elmer MacKay, Fred Doucet, David MacLaughlin --

11 38446 MR. WOLSON: And Karlheinz Schreiber?

12 38447 THE RIGHT HON. BRIAN MULRONEY: --  
13 and Mr. Schreiber, and that's the one that there was a  
14 picture of.

15 38448 So Elmer, clearly, would have asked  
16 me to see him, and my schedule didn't allow it at  
17 certain times, and I said to Elmer: Why don't you come  
18 by for breakfast, or what have you, I am free on  
19 such-and-such a day.

20 38449 That's the way, I assume, it worked  
21 out.

22 38450 MR. WOLSON: And this was after you  
23 had cancelled the Bear Head Project.

24 38451 THE RIGHT HON. BRIAN MULRONEY: Yes,  
25 but it's also after the resurrection and

1 reconfiguration.

2 38452 Remember the \$6.5 million, sir. The  
3 Energizer bunny is at work, and he is trying, I  
4 assume -- and I can't blame him -- to try to  
5 reconfigure this to get it accepted somewhere.

6 38453 MR. WOLSON: And I am thinking more  
7 of the \$1.6 billion.

8 38454 THE RIGHT HON. BRIAN MULRONEY: So am  
9 I.

10 38455 MR. WOLSON: All right.

11 38456 THE RIGHT HON. BRIAN MULRONEY: And  
12 we knew nothing, you and I, about either.

13 38457 MR. WOLSON: All right, let's  
14 continue.

15 "Bärbel and I do very much look  
16 forward to the opportunity when  
17 we can host you and Mila in one  
18 of our homes, so that we may  
19 return your kind hospitality."

20 38458 Did you know his wife?

21 38459 THE RIGHT HON. BRIAN MULRONEY: At  
22 that time, no.

23 38460 MR. WOLSON: Okay.

24 "Enclosed you will find the  
25 promised 'Echinaforce'."

1       38461                   THE RIGHT HON. BRIAN MULRONEY: I met  
2           her subsequently. I was introduced to her, a lovely  
3           lady.

4       38462                   MR. WOLSON:

5                               "Enclosed you will find the  
6                               promised."

7           -- there is a word -- "Echinaforce", I think:

8                               "from the renowned Dr. A. Vogel  
9                               company of Switzerland. This  
10                              herbal extract is the `secret  
11                              weapon' of the medical doctors  
12                              in Europe. As I mentioned, the  
13                              medicine boosts the strength of  
14                              the human immune system. I can  
15                              confirm to you that my family is  
16                              using this product.

17                              This medicine was obtained in  
18                              Ottawa."

19           -- and he tells you where you could get it.

20                              "Thank you for asking David  
21                              McLaughlin (sic) with overseeing  
22                              the progress of the Thyssen."

23       38463                   I don't think he is trying to sell  
24           you the product, I think he is trying to help you here.

25                              "Thank you for asking David

1                   McLaughlin (sic) with overseeing  
2                   the progress of the  
3                   Thyssen.proposal on your behalf.

4           Also I have had a very constructive discussion  
5           with.Jean Corbeil, and I wish to express to you the  
6           confidence which I have in his support and  
7           involvement."

8       38464                   He wishes you and your family a  
9           healthy and happy Christmas and New Year, and he signs  
10          it, and then he says:

11                               "Warm wishes to you and your  
12                               family from Bärbel."

13       38465                   THE RIGHT HON. BRIAN MULRONEY:

14           M'hmm.

15       38466                   I think a relevant point in the  
16           letter -- because you asked me a few seconds ago about  
17           the fact that the project had been killed, and here it  
18           is back again -- is the reference to Corbeil.

19       38467                   Jean Corbeil, apart from being  
20           Minister of Transport, was also the Minister  
21           responsible for Economic Development in Montreal. So  
22           the fact that he has been referred to, and the meetings  
23           had begun, obviously, leads me to conclude that that  
24           reconfiguration, or re-proposal, was completed and they  
25           were working on something in Quebec at that time.

1 38468 And I must say that I can't remember  
2 using the herbal extract which is the "secret weapon"  
3 of the medical doctors in Europe. I don't think I  
4 sampled that.

5 38469 MR. WOLSON: Maybe there is a market  
6 for further development.

7 38470 Let me go on to Tab 10.

8 38471 I'm sorry, let me take you back to  
9 Tab 9 for a second. If you go to the same --

10 38472 Let me direct you for one second  
11 here.

12 38473 If you go to the third document at  
13 Tab 9 --

14 38474 THE RIGHT HON. BRIAN MULRONEY: Yes,  
15 sir.

16 38475 MR. WOLSON: -- you see on the 25th  
17 that you have -- and we have gone over this -- he has a  
18 German word, and then it says "Prime Minister  
19 Mulroney".

20 38476 THE RIGHT HON. BRIAN MULRONEY:  
21 M'hmm.

22 38477 MR. WOLSON: This is the breakfast at  
23 24 Sussex that we have been talking about. Right?

24 38478 THE RIGHT HON. BRIAN MULRONEY: I  
25 don't know, but if you say so --

1 38479 MR. WOLSON: Well, we have just gone  
2 through all of these documents --

3 38480 THE RIGHT HON. BRIAN MULRONEY: Yeah,  
4 okay.

5 38481 MR. WOLSON: If you go to the right  
6 side of that page, which would be the 26th, at 10:30 he  
7 has a meeting with David MacLaughlin.

8 38482 THE RIGHT HON. BRIAN MULRONEY: Yes.

9 38483 MR. WOLSON: So the scenario is,  
10 according to the documents at least -- and you have now  
11 seen a photograph of that 24 Sussex breakfast -- that  
12 Schreiber gets into town on the 23rd, according to  
13 Doucet's diary and according to Schreiber's diary, they  
14 meet with you on the 24th --

15 38484 THE RIGHT HON. BRIAN MULRONEY: No,  
16 they don't meet with me on the 24th. I have absolutely  
17 no recollection of meeting with them on the 24th.

18 38485 And you can be pretty certain that I  
19 didn't meet with them, because a meeting was clearly  
20 scheduled for the next morning.

21 38486 That would not have happened. It may  
22 very well be that that's the way it was scheduled, and  
23 then I was unable to meet that timeframe and said to  
24 Elmer: Come by for breakfast, or --

25 38487 MR. WOLSON: Do you remember that you

1           didn't meet on the 24th?

2       38488                   THE RIGHT HON. BRIAN MULRONEY:  I  
3           remember the breakfast, because I have seen a photo of  
4           it.

5       38489                   MR. WOLSON:  Yes.

6       38490                   THE RIGHT HON. BRIAN MULRONEY:  But I  
7           have no -- this would have been quite exceptional, to  
8           see -- unless there was a specific request from Elmer  
9           for a particular thing, no, I wouldn't have seen him on  
10          one day and seen him for breakfast the next day.

11      38491                   MR. WOLSON:  Some might say the whole  
12          thing is exceptional that he has this kind of access,  
13          but --

14      38492                   THE RIGHT HON. BRIAN MULRONEY:  But I  
15          think we discussed that, sir; that his access comes  
16          from his friendship with a senior cabinet minister,  
17          whose friendship I not only respected, but  
18          reciprocated.

19      38493                   MR. WOLSON:  I guess, at the end of  
20          the day, whether he has access because he is your best  
21          friend or he has access because he has access through a  
22          good friend, the point is, he has access.

23      38494                   THE RIGHT HON. BRIAN MULRONEY:  I  
24          think that's true, sir.

25      38495                   MR. WOLSON:  All right.  On that same

1           page, you see at 1030 that he has a meeting at the  
2           Prime Minister's Office: David MacLaughlin, 1030.

3       38496                   Do you see that?

4       38497                   THE RIGHT HON. BRIAN MULRONEY: Yes,  
5           I do.

6       38498                   MR. WOLSON: So his letter that he  
7           has sent, where he thanks you for setting him up with  
8           Mr. MacLaughlin, seems to, at least, be borne out in  
9           the documentation.

10      38499                   THE RIGHT HON. BRIAN MULRONEY: Yes.  
11           I clearly had asked David MacLaughlin to take a look  
12           at this, or to receive somebody, yeah.

13      38500                   MR. WOLSON: Sure.

14      38501                   Look at, turning the tab to Tab 10,  
15           June 3rd.

16      38502                   THE RIGHT HON. BRIAN MULRONEY: June  
17           3rd?

18      38503                   MR. WOLSON: June 3rd, if you will,  
19           please, sir.

20      38504                   June 3rd at 1530 hours, he has "PM  
21           meeting".

22      38505                   THE RIGHT HON. BRIAN MULRONEY: I see  
23           that, yes.

24      38506                   MR. WOLSON: All right. If you turn  
25           the page --



1 38507 COMMISSIONER OLIPHANT: I'm sorry;  
2 what year is this? Can you help me?

3 38508 MR. WOLSON: 1993.

4 38509 If you turn the page, you have a  
5 document which is an excerpt from Fred Doucet's diary,  
6 also of June 3rd, '93: "3:30 -- PM -- K. Schreiber --  
7 Centre Block."

8 38510 You see that?

9 38511 THE RIGHT HON. BRIAN MULRONEY: Yes,  
10 sir.

11 38512 MR. WOLSON: If you turn the page, we  
12 have your June schedule. Looking at 3:30 on Thursday,  
13 June 3rd, you have "Private meeting".

14 38513 THE RIGHT HON. BRIAN MULRONEY: Yes.

15 38514 MR. WOLSON: If you turn the page,  
16 you have in your schedule for June 3rd: "Meeting --  
17 Fred Doucet".

18 38515 THE RIGHT HON. BRIAN MULRONEY: Yes.

19 38516 MR. WOLSON: Obviously, Schreiber  
20 came along.

21 38517 THE RIGHT HON. BRIAN MULRONEY: I  
22 think that it's not unusual in any way that a  
23 photograph was taken of that one.

24 38518 MR. WOLSON: Turn the page, and the  
25 photograph is there.

1       38519                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
2           there you are.

3       38520                   MR. WOLSON:  That would be the Prime  
4           Minister of Canada seated next to Karlheinz Schreiber,  
5           and across the way is Fred Doucet -- across from you is  
6           Fred Doucet -- and across from Schreiber is Mr.  
7           MacLaughlin?

8       38521                   THE RIGHT HON. BRIAN MULRONEY:  David  
9           MacLaughlin.

10      38522                   MR. WOLSON:  Is he, then, your chief  
11           or deputy chief of staff?

12      38523                   THE RIGHT HON. BRIAN MULRONEY:  When  
13           Hugh Segal left -- Hugh left, I think, on the 1st of  
14           June, so David replaced Hugh --

15      38524                   I was on my way out for --

16      38525                   He replaced him for a couple of  
17           weeks.  So maybe by the 3rd -- he was either the deputy  
18           or the chief of staff.

19      38526                   David MacLaughlin was a great young  
20           guy from New Brunswick.

21      38527                   MR. WOLSON:  Now, at the June 3rd  
22           meeting there is a photograph taken, and it is being  
23           displayed.  You see it.

24      38528                   THE RIGHT HON. BRIAN MULRONEY:  
25           M'hmm.

1 38529 MR. WOLSON: Your answer is.?

2 38530 THE RIGHT HON. BRIAN MULRONEY: I'm  
3 sorry. Yes, indeed.

4 38531 MR. WOLSON: What was discussed at  
5 that meeting?

6 38532 THE RIGHT HON. BRIAN MULRONEY: I  
7 have no recollection of the discussion, but I think I  
8 can conclude, with the documents you have conveyed to  
9 me, that inasmuch as at one of the earlier meetings I  
10 had asked David to take a look at this, and it was tied  
11 into his references to Jean Corbeil, I have to assume  
12 that they would have discussed something about the  
13 graduation of the project to either another phase or  
14 another area.

15 38533 MR. WOLSON: Was there a social  
16 aspect to it?

17 38534 THE RIGHT HON. BRIAN MULRONEY: No.

18 38535 MR. WOLSON: Exchanging pleasantries?  
19 38536 Obviously that would have happened,  
20 you are all civil people.

21 38537 THE RIGHT HON. BRIAN MULRONEY: Yeah,  
22 of course.

23 38538 MR. WOLSON: How long was the  
24 meeting?

25 38539 THE RIGHT HON. BRIAN MULRONEY: The

1 schedule indicates about 30 minutes.

2 38540 MR. WOLSON: And you have no  
3 recollection of the meeting?

4 38541 THE RIGHT HON. BRIAN MULRONEY: None.

5 38542 MR. WOLSON: None at all.

6 38543 THE RIGHT HON. BRIAN MULRONEY: No.

7 If we hadn't had this photo, I would have no  
8 recollection of it at all.

9 38544 MR. WOLSON: All right. Were  
10 documents prepared or given to you?

11 38545 THE RIGHT HON. BRIAN MULRONEY: No.

12 38546 I think, if you look at the photo,  
13 the only document is David MacLaughlin taking notes --

14 38547 MR. WOLSON: Yes.

15 38548 THE RIGHT HON. BRIAN MULRONEY: --  
16 but I have nothing, and no one else has anything.

17 38549 MR. WOLSON: Does that happen at all,  
18 these meetings where there are -- is there somebody  
19 taking notes at all of these meetings?

20 38550 THE RIGHT HON. BRIAN MULRONEY: In  
21 almost all cases the chief of staff, or his  
22 representative, would be there. I can't say at all  
23 times. It's a tradition that was acquired, I think,  
24 from Foreign Affairs, where all international  
25 conferences or meetings between heads are noted,

1 obviously.

2 38551 MR. WOLSON: And when you meet -- I  
3 know that Mr. MacLaughlin is at this meeting --

4 38552 Where is he now, by the way?

5 38553 Do you know?

6 38554 THE RIGHT HON. BRIAN MULRONEY: I  
7 don't know. I know that he's in Ottawa somewhere.

8 38555 MR. WOLSON: Okay. Thank you.

9 38556 Is there always a person, other than  
10 you -- when you have these meetings, would one of your  
11 assistants always be with you?

12 38557 THE RIGHT HON. BRIAN MULRONEY: No,  
13 not all the time.

14 38558 Maybe it has changed. Maybe they  
15 have become more sophisticated than we were 24 or 25  
16 years ago -- and they, no doubt, have. But, in my  
17 time, we didn't -- I know that we tried to do that, and  
18 sometimes it was done, as you can see from --

19 38559 Like, if Paul Tellier were involved,  
20 if it was a Public Service kind of thing, you can be  
21 certain that there was a good note about it.

22 38560 The political stuff that involved  
23 ministers or -- I'm not sure.

24 38561 Less so, certainly.

25 38562 MR. WOLSON: All right.

1       38563                   June 3rd, 1993 -- you have already  
2           announced some months earlier that you are stepping  
3           down. Right?

4       38564                   THE RIGHT HON. BRIAN MULRONEY: Yes.

5       38565                   MR. WOLSON: I suppose that on June  
6           3rd, 1993, if somebody wanted to make a project happen,  
7           you had the power to make it happen?

8       38566                   THE RIGHT HON. BRIAN MULRONEY: I was  
9           still Prime Minister, yes.

10      38567                   MR. WOLSON: Even in the late days --  
11           I know that you had already announced, as we indicated  
12           before, your retirement, but you still had the power to  
13           make something like the Bear Head Project happen, if  
14           you were so inclined?

15      38568                   THE RIGHT HON. BRIAN MULRONEY: The  
16           Prime Minister conserves all of his authority until his  
17           resignation is accepted by the Governor General.

18      38569                   MR. WOLSON: So up until June the 3rd  
19           you are involved -- we have gone over them -- a number  
20           of meetings with Elmer, with Fred, Karlheinz Schreiber  
21           present at them, where he is pitching -- Schreiber  
22           is -- the Energizer bunny you called him yesterday --  
23           he is pitching the Government of Canada to buy this  
24           Thyssen project. You have said it a number of times;  
25           we know now that there was a great deal of money

1           involved in it for him.

2       38570                   THE RIGHT HON. BRIAN MULRONEY:   Yeah.

3       38571                   MR. WOLSON:   And he is working hard  
4           to try and make it happen.

5       38572                   THE RIGHT HON. BRIAN MULRONEY:  
6           Clearly.

7       38573                   MR. WOLSON:   But it doesn't happen  
8           while you are Prime Minister.

9       38574                   THE RIGHT HON. BRIAN MULRONEY:   No.  
10           Not only does it not happen, I suppose you could say,  
11           as Mr. Schreiber has said, that "Brian Mulroney  
12           prevented me from making hundreds of millions of  
13           dollars because he cancelled the project".

14       38575                   That's the way it was.

15       38576                   MR. WOLSON:   All right.   The next  
16           meeting that you have is at Harrington Lake.

17       38577                   THE RIGHT HON. BRIAN MULRONEY:  
18           That's right.

19       38578                   MR. WOLSON:   Was Fred Doucet there?

20       38579                   THE RIGHT HON. BRIAN MULRONEY:   No,  
21           he was not.

22       38580                   MR. WOLSON:   Was Elmer MacKay there?

23       38581                   THE RIGHT HON. BRIAN MULRONEY:   No.

24       38582                   MR. WOLSON:   Was anyone else from the  
25           Office of the Prime Minister there taking notes?

1       38583                   THE RIGHT HON. BRIAN MULRONEY:  No.  
2            There was no need for that.

3       38584                   MR. WOLSON:  On the 23rd of June, you  
4            are advised --

5       38585                   Who advises you that Schreiber wants  
6            to see you?

7       38586                   THE RIGHT HON. BRIAN MULRONEY:  It  
8            had to come through Elmer or Fred.

9       38587                   MR. WOLSON:  It could only come from  
10           Elmer or Fred, in your evidence?

11       38588                   THE RIGHT HON. BRIAN MULRONEY:  I  
12            think so.

13       38589                   MR. WOLSON:  Okay.

14       38590                   THE RIGHT HON. BRIAN MULRONEY:  I was  
15            advised that he wished to see me, to pay a courtesy  
16            call before I left office.

17       38591                   MR. WOLSON:  He had just seen you 20  
18            days earlier.

19       38592                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
20            he had.

21       38593                   But, as I think we have indicated, it  
22            no doubt dealt with his desire to move the project to  
23            Montréal or something.

24       38594                   MR. WOLSON:  The man had a picture of  
25            the meeting.



1       38595                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
2           he did.

3       38596                   MR. WOLSON:  You were now almost out  
4           of the Prime Minister's office, June 23rd?

5       38597                   THE RIGHT HON. BRIAN MULRONEY:  
6           Within 48 hours.

7       38598                   MR. WOLSON:  Yes.  So just two days  
8           before you retire from the Prime Minister's office you  
9           see Schreiber on a courtesy call.

10      38599                   THE RIGHT HON. BRIAN MULRONEY:  Yes.  
11      38600                   And the reason, as I think I  
12           indicated, Commissioner, at Harrington Lake was because  
13           Mila and the children and I move there every summer.  
14           But in this case we moved earlier because Mila wanted  
15           to be assured that 24 Sussex was ready for the new  
16           occupant.

17      38601                   MR. WOLSON:  Let's look, if you will,  
18           sir, in Tab 10 of the Compendium binder.  If you look,  
19           please, to the 23rd of June.

20      38602                   THE RIGHT HON. BRIAN MULRONEY:  June  
21           23rd.

22      38603                   MR. WOLSON:  It should be -- when you  
23           find Wednesday, go to the very bottom and -- are you at  
24           Tab 10?

25      38604                   THE RIGHT HON. BRIAN MULRONEY:  Ten.

1 38605 MR. WOLSON: Go three or four in on  
2 Tab 10 and you will find the June 1993 -- we were there  
3 before.

4 38606 I think you have it in your hand  
5 right now, one back.

6 38607 THE RIGHT HON. BRIAN MULRONEY: The  
7 schedule?

8 38608 MR. WOLSON: Yes.

9 38609 THE RIGHT HON. BRIAN MULRONEY: Yes.

10 38610 MR. WOLSON: All right. Look at the  
11 23rd. You have 11 o'clock; right?

12 38611 THE RIGHT HON. BRIAN MULRONEY: M'hm.

13 38612 MR. WOLSON: Your answer, please?

14 38613 THE RIGHT HON. BRIAN MULRONEY: Yes,  
15 sir. Yes.

16 38614 MR. WOLSON: Private meeting.

17 38615 THE RIGHT HON. BRIAN MULRONEY: Yes.

18 38616 MR. WOLSON: Why not courtesy call?

19 38617 THE RIGHT HON. BRIAN MULRONEY: I  
20 have no idea.

21 38618 MR. WOLSON: If you just look  
22 above --

23 38619 THE RIGHT HON. BRIAN MULRONEY: On  
24 the twenty --

25 38620 MR. WOLSON: Third. The 23rd of

1 June.

2 38621 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 38622 MR. WOLSON: 11 o'clock private  
4 meeting. Was that the meeting you had with  
5 Mr. Schreiber?

6 38623 THE RIGHT HON. BRIAN MULRONEY: Yes.

7 38624 MR. WOLSON: If you just look above  
8 that, on the 16th of June, at 3:45, it says "Courtesy  
9 Call".

10 38625 THE RIGHT HON. BRIAN MULRONEY: Yes.

11 And if you look above that, it says "Private Lunch".

12 38626 MR. WOLSON: Oh, I understand that  
13 there are private lunches, private meetings, yes.

14 38627 THE RIGHT HON. BRIAN MULRONEY: But  
15 is there something mysterious --

16 38628 MR. WOLSON: No.

17 38629 THE RIGHT HON. BRIAN MULRONEY: -- in  
18 the manner in which this is laid out?

19 38630 MR. WOLSON: I'm asking you -- no,  
20 there is nothing mysterious at all.

21 38631 THE RIGHT HON. BRIAN MULRONEY: It is  
22 a public schedule of the Prime Minister of Canada.

23 38632 MR. WOLSON: Yes. I'm asking you why  
24 at 3:45 on the 16th it would be a courtesy call, but on  
25 the 23rd it was a private meeting.

1       38633                   THE RIGHT HON. BRIAN MULRONEY:  I  
2            have no idea.

3       38634                   MR. WOLSON:  Okay.

4       38635                   THE RIGHT HON. BRIAN MULRONEY:  I  
5            didn't -- I mean, you know, as I can see, I didn't  
6            prepare -- technically prepare the schedules.

7       38636                   MR. WOLSON:  I'm quite sure that you  
8            had other things to do and you weren't preparing  
9            schedules.

10      38637                   THE RIGHT HON. BRIAN MULRONEY:  It's  
11            just that all the requests generally went to the office  
12            and they did the best they could with my schedule.

13      38638                   MR. WOLSON:  But I noticed your  
14            schedule in June of '93 -- and for the average mortal  
15            it's a pretty busy schedule.

16      38639                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
17            it is.

18      38640                   MR. WOLSON:  You have on -- just  
19            going through it, you have starting with the 1st of  
20            June, you are in Washington on the Larry King Show.

21      38641                   THE RIGHT HON. BRIAN MULRONEY:  I was  
22            there for a breakfast meeting with President Clinton.

23      38642                   MR. WOLSON:  Yes, and we will come to  
24            that.  But I think you did Larry King --

25      38643                   THE RIGHT HON. BRIAN MULRONEY:  Yes,

1 I did.

2 38644 MR. WOLSON: -- on the first.

3 38645 THE RIGHT HON. BRIAN MULRONEY: M'hm.

4 38646 MR. WOLSON: Your answer is yes?

5 38647 THE RIGHT HON. BRIAN MULRONEY: Yes,

6 sir.

7 38648 MR. WOLSON: On the second you are

8 there for breakfast for Clinton.

9 38649 THE RIGHT HON. BRIAN MULRONEY: Yes.

10 38650 MR. WOLSON: Or with Clinton.

11 38651 THE RIGHT HON. BRIAN MULRONEY: Yes.

12 38652 MR. WOLSON: And then you are on an

13 interview with the MacNeil-Lehrer show?

14 38653 THE RIGHT HON. BRIAN MULRONEY: I

15 have a lunch with --

16 38654 MR. WOLSON: Washington Post?

17 38655 THE RIGHT HON. BRIAN MULRONEY: --

18 with Kay Graham at the Washington Post, a C-Span

19 interview, MacNeil-Lehrer and then travelling back to

20 Ottawa.

21 38656 MR. WOLSON: And then the next day

22 you have a number of meetings, including P&P at 3

23 o'clock?

24 38657 THE RIGHT HON. BRIAN MULRONEY: The

25 next day I have P&P in the morning --

1 38658 MR. WOLSON: Private meeting at 3:30.  
2 38659 THE RIGHT HON. BRIAN MULRONEY:  
3 Private meeting at 3:30.  
4 38660 MR. WOLSON: At 4 o'clock you've got  
5 an interview with the Toronto Star?  
6 38661 THE RIGHT HON. BRIAN MULRONEY: Yes.  
7 38662 MR. WOLSON: At 5:15 you have an  
8 interview --  
9 38663 THE RIGHT HON. BRIAN MULRONEY: A  
10 reception.  
11 38664 MR. WOLSON: Pardon me?  
12 38665 THE RIGHT HON. BRIAN MULRONEY: I'm  
13 sorry, 5:15 --  
14 38666 MR. WOLSON: An interview with --  
15 38667 THE RIGHT HON. BRIAN MULRONEY: That  
16 must be Mark Kennedy --  
17 38668 MR. WOLSON: All right.  
18 38669 THE RIGHT HON. BRIAN MULRONEY: --  
19 who was then with The Citizen.  
20 38670 MR. WOLSON: Then you have a  
21 6 o'clock reception.  
22 38671 THE RIGHT HON. BRIAN MULRONEY: Yes.  
23 38672 And then a private meeting.  
24 38673 MR. WOLSON: Private meeting. On the  
25 fourth you are going to Montréal to see Premier

1 Bourassa.

2 38674 THE RIGHT HON. BRIAN MULRONEY: Yes,  
3 lunch with Premier Bourassa.

4 38675 MR. WOLSON: You have a full day on  
5 the fifth.

6 38676 THE RIGHT HON. BRIAN MULRONEY: I'm  
7 back in my -- I'm going to stand down as a candidate in  
8 the next election, and so I visit in Charlevoix with my  
9 voters. And the next day there is -- at 10:30 on  
10 Saturday there is an awards ceremony. There is a  
11 brunch at La Malbaie and travel to Baie Comeau; the  
12 inauguration of the local airport.

13 38677 That night a fundraising dinner.

14 38678 The next day an interview with  
15 CFER-TVA, a brunch and nomination meeting. That must  
16 be for the candidate who was going to succeed me. Get  
17 back to Ottawa.

18 38679 On Monday there is a private meeting  
19 with the Governor General, and that clearly is in  
20 regard to the circumstances of my resignation.

21 38680 On the eighth there is an interview,  
22 meeting with Pierre Blais. Then at 3:45 there is a  
23 private meeting; then interviews with the Prime  
24 Minister of Hungary, I believe; then private.

25 38681 Then the next day is the National

1           Caucus, meeting with Glen Shortliffe who had replaced  
2           Paul as Clerk of the Council.

3       38682                   MR. WOLSON:   Yes...?

4       38683                   THE RIGHT HON. BRIAN MULRONEY:

5           Another excellent public servant.

6       38684                   Then there was an interview with  
7           Graham Fraser and Jeff Sallott of the Globe.  Then  
8           there was private.

9       38685                   Then the Progressive Conservative  
10          Convention began.

11      38686                   MR. WOLSON:   Yes...?

12      38687                   THE RIGHT HON. BRIAN MULRONEY:  So I  
13          had to go for registration with my family.

14      38688                   Then at 4 o'clock I had a meeting  
15          with Senator LeBreton.  She was not then a Senator.  I  
16          appointed her a few days later.

17      38689                   Then on the 11th, opening ceremonies  
18          of the leadership thing.

19      38690                   MR. WOLSON:   Let me just stop you  
20          there and I will save a little bit of time.

21      38691                   THE RIGHT HON. BRIAN MULRONEY:  M'hm.

22      38692                   MR. WOLSON:   What you have read so  
23          far is consistent with the rest of the schedule.

24      38693                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

25      38694                   MR. WOLSON:   You are a very busy guy,



1           doing a number of very important things.

2       38695                            You agree with that?

3       38696                            THE RIGHT HON. BRIAN MULRONEY:  Yes.

4       38697                            MR. WOLSON:  But you have time to fit

5           in a meeting, on June the 3rd, with Mr. Schreiber;

6           right?

7       38698                            THE RIGHT HON. BRIAN MULRONEY:  M'hm.

8           Yes.

9       38699                            MR. WOLSON:  Your answer is yes.

10      38700                            You have time to see him.  Even

11           though you have just seen him 20 days earlier, you have

12           time to see him on the 23rd of June at Harrington Lake,

13           a man that you had a peripheral relationship with.

14      38701                            You did that on the 23rd.  You saw

15           him?

16      38702                            THE RIGHT HON. BRIAN MULRONEY:  Yes,

17           I did.

18      38703                            MR. WOLSON:  Yes.

19      38704                            THE RIGHT HON. BRIAN MULRONEY:  As

20           every time we come across the word "private" and

21           "private meetings", as I'm seeing dozens and perhaps

22           hundreds of people who wished to drop by to say

23           goodbye --

24      38705                            MR. WOLSON:  I think there are about

25           10 or 11 privates other than -- you have a private

1 lunch with Bourassa, a private meeting with the  
2 Governor General.

3 38706 THE RIGHT HON. BRIAN MULRONEY: Yes.

4 38707 MR. WOLSON: I exclude those, but  
5 other than that there is probably about 10 or 12  
6 private meetings.

7 38708 THE RIGHT HON. BRIAN MULRONEY: Yes.

8 38709 MR. WOLSON: We can count them up  
9 later. We don't have to do that now.

10 38710 THE RIGHT HON. BRIAN MULRONEY: At  
11 this time -- I think perhaps you are misinterpreting  
12 something.

13 38711 On the 7th, for example, and  
14 elsewhere, when it says "Private", that doesn't mean  
15 there is one private meeting. It means the day has  
16 been essentially assigned for these private walk-ins  
17 and so on. So all kinds of people were coming by.

18 38712 MR. WOLSON: So you would have had  
19 time for your peripheral friend Schreiber twice in that  
20 month.

21 38713 THE RIGHT HON. BRIAN MULRONEY: Well,  
22 I think that is a bit of a pejorative, if I may say,  
23 because I tried to explain to you the context in which  
24 that word was used.

25 38714 I know you don't intend it

1           derisively, but I just explained that in the lexicon  
2           that was referred to, it was not an inaccurate  
3           description of the relationship.

4       38715                   MR. WOLSON: All right. Let me then  
5           move on, on the 23rd, because I want to ask you some  
6           questions.

7       38716                   Mr. Schreiber has told this inquiry  
8           about that meeting. You have, I take it, seen his  
9           evidence or know about his evidence?

10      38717                   THE RIGHT HON. BRIAN MULRONEY: Yes,  
11           sir.

12      38718                   MR. WOLSON: The meeting you say was  
13           half an hour.

14      38719                   THE RIGHT HON. BRIAN MULRONEY: I  
15           believe so.

16      38720                   MR. WOLSON: Or was it?

17      38721                   THE RIGHT HON. BRIAN MULRONEY: I  
18           don't know. It was -- he was there for sure and the  
19           meeting didn't last very long.

20      38722                   MR. WOLSON: All right. What was  
21           discussed at this meeting from your perspective?

22      38723                   THE RIGHT HON. BRIAN MULRONEY: Well,  
23           he came in, as I indicated. I believe he was driven  
24           there by my Executive Assistant Paul Smith in his, as I  
25           say, secondhand Jeep, simply to distinguish it from the

1 limousine of the fifth estate.

2 38724 MR. WOLSON: We have that point.

3 38725 THE RIGHT HON. BRIAN MULRONEY: Okay.

4 It is important.

5 38726 MR. WOLSON: I spent some time on it,  
6 sir, so I thought it was important, too.

7 38727 THE RIGHT HON. BRIAN MULRONEY: Yes.

8 Good for you, sir.

9 38728 MR. WOLSON: Thank you.

10 38729 THE RIGHT HON. BRIAN MULRONEY: And  
11 so he came and we chatted, of course, and my guess is  
12 that the first thing we talked about would have been  
13 the fact that Ms Campbell was going to take over in two  
14 days and how did I see it.

15 38730 MR. WOLSON: Did you tell him then  
16 that -- or at all, because he alleges that you told him  
17 that Ms Campbell was going to win the next election.

18 38731 You have told us about that.

19 38732 THE RIGHT HON. BRIAN MULRONEY: I  
20 certainly thought so, yes.

21 38733 MR. WOLSON: Yes.

22 38734 THE RIGHT HON. BRIAN MULRONEY: And I  
23 would have told him that, yes.

24 38735 MR. WOLSON: Yes. Did you tell him,  
25 as he says, that you could then work together with him.

1           You would have some influence?

2       38736                   THE RIGHT HON. BRIAN MULRONEY:  No,  
3           of course not.

4       38737                   MR. WOLSON:  Okay.  So carry on then.

5       38738                   THE RIGHT HON. BRIAN MULRONEY:  He  
6           got back to -- after we discussed the election, the  
7           upcoming election, he got back to his favourite topic  
8           of German reunification.  He mentioned that and how  
9           grateful he was and Germans were for the role Canada  
10          was able to play, and after -- and I said to him, by  
11          the way, I said look, Karlheinz, I should tell you that  
12          I regret that we were not able to make this thing, the  
13          project function in Nova Scotia.  I had committed to  
14          creating jobs down there and I had thought, as you  
15          know, that this would have been a good way to do it.

16       38739                   It didn't work out and I'm sorry it  
17          didn't, because the jobs that Elmer and I hoped to be  
18          able to deliver to that region never materialized.  I  
19          know you worked hard at it and I regret that and I wish  
20          you well.

21       38740                   At that time, as I got up to usher  
22          him to the door, and to say goodbye, he asked me what I  
23          planned to do and I said well, I am going to  
24          reestablish myself in Montréal, do hopefully some  
25          directorships maybe in my law practice.

1       38741                   And he said given the excellence of  
2           your communications, or your reputation internationally  
3           and the high regard in which you are held -- and he  
4           talked again about Germany in that regard, and  
5           Europe -- I would like to be in touch with you, or  
6           words to that effect, after you leave office.

7       38742                   And I said I don't know where I'm  
8           going to be in the next little while, but I will  
9           certainly be in Montréal in the autumn. Because he  
10          said perhaps I could give you a call in light of that.  
11          And I said anytime you want to reach me, call Fred,  
12          who will know what my new address is going to be and  
13          where you can reach me.

14       38743                   MR. WOLSON: So his view -- I'm  
15           sorry, I don't want to cut you off.

16       38744                   THE RIGHT HON. BRIAN MULRONEY: No,  
17           that was it.

18       38745                   MR. WOLSON: His view and his  
19           evidence that he retained you -- or not retained you,  
20           that you had an Understanding in Principle that you and  
21           he would work together and you would make something  
22           happen for the Thyssen Project, that didn't happen?

23       38746                   THE RIGHT HON. BRIAN MULRONEY: No,  
24           sir.

25       38747                   MR. WOLSON: That he would make -- or

1           that he had an arrangement with you where you would  
2           work on the Thyssen Project domestically, that didn't  
3           happen?

4       38748                   THE RIGHT HON. BRIAN MULRONEY:  No,  
5           sir.

6       38749                   MR. WOLSON:  The meeting ends.  How  
7           does he get back to Ottawa?

8       38750                   THE RIGHT HON. BRIAN MULRONEY:  I  
9           don't know.  I assumed, until I heard something, I  
10          think to the contrary -- I assumed that Paul was going  
11          to drive him back, but I don't know how he got back.

12      38751                   MR. WOLSON:  And Paul brought him  
13          there.

14      38752                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

15      38753                   MR. WOLSON:  Paul Smith.

16      38754                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
17          he did.

18      38755                   MR. WOLSON:  On your instruction?

19      38756                   THE RIGHT HON. BRIAN MULRONEY:  No,  
20          not on my instructions.  I had nothing to do with  
21          the -- with the operation of that.  I didn't know how  
22          he was going to get there.

23      38757                   MR. WOLSON:  Well, was it a common  
24          thing for Mr. Smith to drive people in his Jeep to see  
25          you at Harrington Lake?

1       38758                   THE RIGHT HON. BRIAN MULRONEY:  Not  
2       a -- I don't think it would be uncommon when I was at  
3       Harrington.  Every once in a while people coming up  
4       would hitch a ride with Paul, yes, mostly of course  
5       staffers and what have you.  But it wasn't particularly  
6       unusual.

7       38759                   MR. WOLSON:  He said --

8       38760                   THE RIGHT HON. BRIAN MULRONEY:  It  
9       was unusual --

10      38761                   MR. WOLSON:  Yes...?

11      38762                   THE RIGHT HON. BRIAN MULRONEY:  It  
12      was unusual I think for someone like Mr. Schreiber to  
13      come up with Mr. Smith, but I don't know why.

14      38763                   MR. WOLSON:  So Schreiber has a  
15      courtesy visit with you --

16      38764                   THE RIGHT HON. BRIAN MULRONEY:  M'hm.

17      38765                   MR. WOLSON:  Your answer is yes?

18      38766                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
19      sir.

20      38767                   MR. WOLSON:  Yes, sir.  Having seen  
21      him three weeks earlier; right?

22      38768                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
23      on his ongoing business project.

24      38769                   MR. WOLSON:  Yes.  And he gets there  
25      with your staff, your staffer, in his Jeep, your



1            staffer's Jeep, when Smith said it has never happened  
2            before like that.

3            38770                    THE RIGHT HON. BRIAN MULRONEY:  M'hm.

4            38771                    MR. WOLSON:  This was just a special  
5            occasion that he picked Schreiber up and brought him to  
6            Harrington Lake; yes?

7            38772                    THE RIGHT HON. BRIAN MULRONEY:  Yes,  
8            sir.

9            38773                    MR. WOLSON:  And you had time to see  
10           this man, Schreiber.

11           38774                    THE RIGHT HON. BRIAN MULRONEY:  Yes,  
12           I do.

13           38775                    MR. WOLSON:  You have no idea why  
14           Schreiber went back to Germany because you had no  
15           understanding in principle with him at Harrington Lake;  
16           right?

17           38776                    You had no understanding in principle  
18           in terms of working together in the future on the Bear  
19           Head Project for Thyssen.  There was nothing  
20           established at Harrington Lake by your evidence.

21           38777                    THE RIGHT HON. BRIAN MULRONEY:  Zero.

22           38778                    MR. WOLSON:  Zero.  The man goes back  
23           to Germany -- and we have evidence of it -- that he  
24           tries to set up on the 5th of July, just a short time  
25           after your meeting, an account, which he does set up on

1           the 12th of July, and calls it Britan and puts \$500,000  
2           into Britan.

3       38779                    You don't know why he did that?

4       38780                    THE RIGHT HON. BRIAN MULRONEY:  No,  
5           sir.

6       38781                    MR. WOLSON:  Did you know then that a  
7           Britan account existed?

8       38782                    THE RIGHT HON. BRIAN MULRONEY:  No, I  
9           did not.

10      38783                    MR. WOLSON:  So he sets up this  
11       Britan account, puts in -- transfers in a half a  
12       million dollars, takes out \$100,000 and comes to see  
13       you at the Mirabel Hotel on the 27th of August.

14      38784                    THE RIGHT HON. BRIAN MULRONEY:  If  
15       you say so.

16      38785                    MR. WOLSON:  Well, the evidence --  
17       the documentary evidence of Navigant tells us that, and  
18       Schreiber has told us that.

19      38786                    THE RIGHT HON. BRIAN MULRONEY:  But  
20       Schreiber, if I may, when I heard of the Britan account  
21       was in October of 1999 when Mr. Edward Greenspan, --  
22       six years later when Mr. Edward Greenspan,  
23       Mr. Schreiber's lawyer, writes to the CBC fifth estate  
24       and says I want to formally advise you that Britan is  
25       not Brian and any suggestion by you that Britan is

1 Brian would be libelous, false and gravely unfair to  
2 Mr. Mulroney.

3 38787 That's what I knew about the Britan  
4 account.

5 38788 MR. WOLSON: Yes, we knew that  
6 yesterday.

7 38789 THE RIGHT HON. BRIAN MULRONEY: Yeah.

8 38790 MR. WOLSON: You didn't know, though,  
9 then, that he took out \$100,000 from the Britan  
10 account, brought it to Canada.

11 38791 All you can tell us is that Fred  
12 Doucet arranged a meeting for you and Mr. Schreiber at  
13 Harrington -- I'm sorry, at the Mirabel Airport Hotel  
14 on the 27th of August 1993.

15 38792 THE RIGHT HON. BRIAN MULRONEY: Yes,  
16 sir.

17 38793 MR. WOLSON: And that he made that  
18 arrangement, Doucet, you believe, mid-August with you.

19 38794 THE RIGHT HON. BRIAN MULRONEY: Yes.  
20 After Doucet apparently had spoken with him --

21 38795 MR. WOLSON: Yes.

22 38796 THE RIGHT HON. BRIAN MULRONEY: --  
23 and asked him the nature of the meeting and why he  
24 wanted to meet me.

25 38797 MR. WOLSON: Yes.

1       38798                   THE RIGHT HON. BRIAN MULRONEY:   And  
2       Schreiber would have said to him that I want to talk to  
3       him about an international mandate of some kind that I  
4       would like to discuss.

5       38799                   MR. WOLSON:   Yes, you told us that  
6       yesterday.

7       38800                   THE RIGHT HON. BRIAN MULRONEY:   And  
8       he shared that with me.

9       38801                   MR. WOLSON:   And of course you didn't  
10      accept over the telephone a retainership with  
11      Mr. Schreiber.  You accepted to meet with him and talk  
12      to him.

13      38802                   THE RIGHT HON. BRIAN MULRONEY:   That  
14      is right.

15      38803                   MR. WOLSON:   And Schreiber then shows  
16      up at the Mirabel Hotel with a package of thousand  
17      dollar bills without having had a prearrangement with  
18      you that you would work with him on a project?

19      38804                   THE RIGHT HON. BRIAN MULRONEY:  
20      Schreiber shows up at the Mirabel Hotel with a  
21      Statement of Claim prepared by Ian Scott in which he  
22      says that he is going to sue my government because my  
23      government cancelled the contract, or unfairly treated  
24      that proposal.

25      38805                   MR. WOLSON:   Stop there.  And he

1 shows up with that Statement of Claim --

2 38806 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 Yes, sir.

4 38807 MR. WOLSON: -- and he gives it to

5 you.

6 38808 THE RIGHT HON. BRIAN MULRONEY: He

7 gives it to me.

8 38809 MR. WOLSON: All right. And you tell

9 Sheppard about that. You tell Sheppard that he --

10 38810 THE RIGHT HON. BRIAN MULRONEY:

11 Absolutely.

12 38811 MR. WOLSON: Yes, okay.

13 38812 THE RIGHT HON. BRIAN MULRONEY: Yes.

14 38813 MR. WOLSON: Next, what else does he

15 do?

16 38814 THE RIGHT HON. BRIAN MULRONEY: He

17 hands me some brochures, merchandising -- impressive

18 merchandising brochures of the vehicle.

19 38815 MR. WOLSON: With UN slapped all over

20 the vehicle.

21 38816 THE RIGHT HON. BRIAN MULRONEY: With

22 the United Nations logo all over the place on it, in

23 colour.

24 38817 MR. WOLSON: Stop there.

25 38818 THE RIGHT HON. BRIAN MULRONEY: M'hm.

1       38819                   MR. WOLSON:  You tell Sheppard about  
2           that.  You say to Sheppard this project was a UN  
3           project.  It morphed into a UN project; right?

4       38820                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

5       38821                   No, I think it had been discussed  
6           earlier.  I may be wrong on that.  In earlier  
7           conversations that I testified to.

8       38822                   MR. PRATTE:  I stood up yesterday I  
9           think on this point, and I think maybe the witness  
10          corrected it.  But I'm not sure the transcript  
11          reflects -- as Mr. Wolson says, maybe I stand to be  
12          corrected.

13      38823                   It is clear that Mr. Mulroney  
14          mentioned the lawsuit to Mr. Sheppard at the discovery,  
15          but I believe the discussion of peacekeeping was in  
16          reference to an earlier context.

17      38824                   So I don't think that he was  
18          saying -- unless I'm wrong.

19      38825                   COMMISSIONER OLIPHANT:  I thought  
20          that the question had to do with the armoured vehicle  
21          with the logo or insignia on it.

22      38826                   MR. PRATTE:  My only point,  
23          Mr. Commissioner, is that Mr. Wolson is saying, as I  
24          understood it, to Mr. Mulroney, you get the lawsuit  
25          from Ian Scott at Mirabel and you told Mr. Sheppard at

1 the discovery about that.

2 38827 COMMISSIONER OLIPHANT: M'hm.

3 38828 MR. PRATTE: And then he went on to  
4 say and you got these brochures from Mr. Schreiber at  
5 Mirabel and you told Mr. Sheppard about that.

6 38829 It is that latter point that I may be  
7 mistaken. It's not the context in which -- he didn't  
8 say to Sheppard I got brochures about peacekeeping, I  
9 don't think --

10 38830 MR. WOLSON: No.

11 38831 MR. PRATTE: -- at Mirabel.

12 38832 MR. WOLSON: Let me clear that up  
13 then because I never intended that.

14 38833 THE RIGHT HON. BRIAN MULRONEY: Okay.

15 38834 MR. WOLSON: You are welcome.

16 38835 What I suggest to you is that you  
17 told Sheppard that the Thyssen Project had gone from --  
18 had changed lives and had gone to a UN project.

19 38836 THE RIGHT HON. BRIAN MULRONEY:  
20 That I -- that's a statement, sir, or a question?

21 38837 MR. WOLSON: Yes, I'm going to  
22 suggest that to you.

23 38838 THE RIGHT HON. BRIAN MULRONEY: Well,  
24 I don't have the -- would you like me to check the --

25 38839 MR. WOLSON: After the break I will

1           get that and give that to you.

2       38840                   THE RIGHT HON. BRIAN MULRONEY: All  
3           right.

4       38841                   MR. WOLSON: So we have covered now  
5           the giving of the UN, pages of vehicles with UN slapped  
6           all over it.

7       38842                   THE RIGHT HON. BRIAN MULRONEY: Yes,  
8           they are brochures.

9       38843                   MR. WOLSON: Right.

10      38844                   THE RIGHT HON. BRIAN MULRONEY:  
11           Promotional brochures that he gives me.

12      38845                   MR. WOLSON: Yes.

13      38846                   THE RIGHT HON. BRIAN MULRONEY: And  
14           he also gives me articles from German newspapers in  
15           that regard, plus correspondence that Thyssen I think  
16           has received from a British General in charge of  
17           procurement.

18      38847                   Those are the letters that I am  
19           given.

20      38848                   MR. WOLSON: And he gives you money.

21      38849                   THE RIGHT HON. BRIAN MULRONEY: Yes.  
22           He said that it would be nice, very nice, to have you,  
23           as a respected former Prime Minister, I think his word  
24           was on an international peacekeeping track for Thyssen.  
25           It was words to that effect. I would love to have you



1 represent my interests internationally, and he chatted  
2 of course about the vehicle. He had just given me the  
3 documents.

4 38850 And I said well, I think that is  
5 something that I could usefully do. This was part of  
6 my plan anyway, after I got established, was to try and  
7 work internationally because I knew full well that not  
8 only was it improper for me to deal with the Government  
9 of Canada, I didn't want to deal with the Government of  
10 Québec or the City of Montréal or any government, and I  
11 think he knew that.

12 38851 But I thought that because those were  
13 in my mind off bounds, that my future really lay on the  
14 international field, in the international field.

15 38852 So he said I think you could be of  
16 great help for Thyssen on an international peacekeeping  
17 track. I would very much like that opportunity to work  
18 with you. And I said fine. I said Karlheinz, I think  
19 what you described would be right up my alley and I  
20 think I might be able to be helpful.

21 38853 MR. WOLSON: How did he refer to you?

22 38854 THE RIGHT HON. BRIAN MULRONEY: He,  
23 interchangeably Prime Minister or Mr. Mulroney or  
24 Brian, depending on the circumstances.

25 38855 MR. WOLSON: Okay.

1           38856                           THE RIGHT HON. BRIAN MULRONEY:  And  
2           he got up from where we were seated in the corner and  
3           he went over to a small sofa.  As I indicated to you, I  
4           knew very little about what might transpire, except  
5           what Fred told me.  I had been escorted there by the  
6           RCMP.  They brought me to the door, knocked on the  
7           door.  Mr. Schreiber opened it, and I had gone in and  
8           they waited for me outside.

9           38857                           And he got up and went to his  
10          briefcase and opened the briefcase, and there was a  
11          legal sized envelope.  And he came over and he said I  
12          would like to retain your services and this would be  
13          the first advance on that to help me internationally in  
14          this regard.

15         38858                           MR. WOLSON:  Did you see him putting  
16          the money in the envelope?

17         38859                           THE RIGHT HON. BRIAN MULRONEY:  No,  
18          he just took a legal sized envelope out.

19         38860                           MR. WOLSON:  So the money was already  
20          in it?

21         38861                           THE RIGHT HON. BRIAN MULRONEY:  Yes.

22         38862                           MR. WOLSON:  How would he know to put  
23          money in it, that he would be retaining you?

24         38863                           THE RIGHT HON. BRIAN MULRONEY:  I  
25          don't have a clue.

1 38864 MR. WOLSON: Perhaps we can stop  
2 there and we will pick this up after the break.

3 38865 THE RIGHT HON. BRIAN MULRONEY: Fine.

4 38866 COMMISSIONER OLIPHANT: Just before  
5 we do that, I would like to ask a question so that I  
6 have a clear understanding of a term that you have used  
7 and upon which there has been some debate.

8 38867 THE RIGHT HON. BRIAN MULRONEY: M'hm.

9 38868 COMMISSIONER OLIPHANT: And I think I  
10 know what you mean, but I want to understand if my  
11 understanding is correct.

12 38869 THE RIGHT HON. BRIAN MULRONEY: M'hm.

13 38870 COMMISSIONER OLIPHANT: You talked  
14 about your relationship with Mr. Schreiber as being  
15 peripheral.

16 38871 THE RIGHT HON. BRIAN MULRONEY: Yes.

17 38872 COMMISSIONER OLIPHANT: That word  
18 mean something to you?

19 38873 THE RIGHT HON. BRIAN MULRONEY: Yes.

20 38874 COMMISSIONER OLIPHANT: And as I  
21 heard you give your evidence about your family and  
22 friends and people with whom you worked and trusted,  
23 people like Paul Tellier, were you using that term in a  
24 relative sense; that relative to other people with whom  
25 you dealt on a regular basis, and relative to your

1 family, your friendship with Schreiber was peripheral?

2 38875 THE RIGHT HON. BRIAN MULRONEY:

3 Precisely, my Lord.

4 38876 COMMISSIONER OLIPHANT: Okay.

5 38877 THE RIGHT HON. BRIAN MULRONEY:

6 Precisely.

7 38878 COMMISSIONER OLIPHANT: So it was in

8 a relative sense that you used that word.

9 38879 THE RIGHT HON. BRIAN MULRONEY: M'hm.

10 38880 COMMISSIONER OLIPHANT: Okay. We

11 will break for 15 minutes and come back at 11:15.

12 38881 THE RIGHT HON. BRIAN MULRONEY: Thank

13 you.

14 --- Upon recessing at 10:58 a.m. / Suspension à 10 h 58

15 --- Upon resuming at 11:27 a.m. / Reprise à 11 h 27

16 38882 COMMISSIONER OLIPHANT: Be seated,

17 please.

18 38883 Mr. Wolson...?

19 38884 MR. WOLSON: Mr. Mulroney, before we

20 broke I had indicated to you, and I want to make it

21 clearer, what my question is.

22 38885 When you were on your examination on

23 discovery you had mentioned to Mr. Sheppard --

24 obviously we have covered this yesterday. You didn't

25 talk about the August 27th meeting and identify it as a

1 meeting where a business transaction took place.

2 38886 We have been through that --

3 38887 THE RIGHT HON. BRIAN MULRONEY: Yes.

4 38888 MR. WOLSON: -- and you understand  
5 that?

6 38889 THE RIGHT HON. BRIAN MULRONEY: Yes.

7 38890 MR. WOLSON: All right. But my  
8 suggestion to you was during your testimony on  
9 discovery, you did talk to Mr. Sheppard about the  
10 Thyssen Project morphing into a UN project?

11 38891 THE RIGHT HON. BRIAN MULRONEY: I  
12 think there was reference to that.

13 38892 MR. WOLSON: Yes. I'm just going to  
14 show you that. It is at page 89 of the discovery, page  
15 89 line 5 where you say:

16 "And at this point in time..."

17 38893 And you are talking about '91 or '92.

18 38894 THE RIGHT HON. BRIAN MULRONEY: M'hm.

19 38895 MR. WOLSON:

20 "And at this point in time, the  
21 Tissen(sic) Project had evolved  
22 into one where vehicles would be  
23 made for the United Nations  
24 Peacekeeping Forces around the  
25 world to protect our

1 Peacekeepers."

2 38896 THE RIGHT HON. BRIAN MULRONEY: Yes,  
3 sir.

4 38897 MR. WOLSON: All right.

5 38898 Now, I want to examine in detail the  
6 three meetings that you had with Schreiber: the  
7 Mirabel, Queen Elizabeth and Pierre Hotel meetings.

8 38899 THE RIGHT HON. BRIAN MULRONEY: Yes.

9 38900 MR. WOLSON: You came to the hotel at  
10 Mirabel on the 27th of August '93 with an RCMP escort.

11 38901 THE RIGHT HON. BRIAN MULRONEY: Yes.

12 38902 MR. WOLSON: Two officers?

13 38903 THE RIGHT HON. BRIAN MULRONEY: Yes.

14 38904 MR. WOLSON: Why would you have had  
15 RCMP at that time? And I notice they are here today.

16 38905 I suppose the question is: When do  
17 you have RCMP detail?

18 38906 THE RIGHT HON. BRIAN MULRONEY: The  
19 tradition has been and remains that after a Prime  
20 Minister leaves office that the RCMP furnishes support  
21 until he or she gets reintegrated into a new life.  
22 That kind of tails off depending on the requirement --  
23 the security requirements.

24 38907 Thereafter, from time to time the  
25 RCMP offers the courtesies of the service to Prime

1 Ministers as they visit certain areas of the country.

2 38908 MR. WOLSON: And you are always The  
3 Right Honourable? That is a title that you have --

4 38909 THE RIGHT HON. BRIAN MULRONEY: Yes.

5 38910 MR. WOLSON: -- having been in your  
6 position with government?

7 38911 THE RIGHT HON. BRIAN MULRONEY: Yes,  
8 sir.

9 38912 MR. WOLSON: You are a Member of the  
10 Privy Council?

11 38913 THE RIGHT HON. BRIAN MULRONEY: Yes.

12 38914 MR. WOLSON: That is a lifetime --  
13 both are lifetime distinctions --

14 38915 THE RIGHT HON. BRIAN MULRONEY: Yes.

15 38916 MR. WOLSON: -- and distinguishments.

16 38917 THE RIGHT HON. BRIAN MULRONEY: M'hm.

17 38918 MR. WOLSON: Yes?

18 38919 THE RIGHT HON. BRIAN MULRONEY: Yes,  
19 sir.

20 38920 MR. WOLSON: You then go with the  
21 RCMP to the Mirabel Hotel.

22 38921 THE RIGHT HON. BRIAN MULRONEY: That  
23 is right.

24 38922 MR. WOLSON: August 27, 1993. What  
25 time do you go there?

- 1           38923                   THE RIGHT HON. BRIAN MULRONEY:  
2            Whatever time the flight departed -- and I know they  
3            used to depart at night, and they still do. It would  
4            have been a brief time before that because I think the  
5            meeting took probably less than half an hour.
- 6           38924                   MR. WOLSON: All right. And when you  
7            went there you didn't know whether or not you would be  
8            engaged by Mr. Schreiber. It was to have a discussion  
9            and to see if you could have a business relationship?
- 10          38925                   THE RIGHT HON. BRIAN MULRONEY:  
11          That's what I was told.
- 12          38926                   MR. WOLSON: What did Doucet tell you  
13          exactly? You say you spoke to him around mid August.  
14          What did he say exactly to you, as best you recall?
- 15          38927                   THE RIGHT HON. BRIAN MULRONEY: He  
16          told me that he had spoken -- that Mr. Schreiber had  
17          called him and asked if he could meet with me when next  
18          he was in Canada and that he wished to talk to me about  
19          the possibility of an international mandate  
20          representing his interests around the world.
- 21          38928                   And I said well, fine, that sounds  
22          fair ball and he said --
- 23          38929                   MR. WOLSON: Did he tell you about  
24          what project around the world?
- 25          38930                   THE RIGHT HON. BRIAN MULRONEY: No.



1 38931 MR. WOLSON: Okay.

2 38932 THE RIGHT HON. BRIAN MULRONEY: He  
3 told -- he then said I will call you back and let you  
4 know when the arrangements are to be made and we will  
5 see if it is convenient for you. And I said fine,  
6 remember, Fred, I don't have a house in Montréal. We  
7 are renting a cottage at L'Esterel and it's a long way  
8 down to Montréal for a meeting.

9 38933 He said I think you will be going  
10 home from Montréal, which had to be at the Mirabel  
11 airport. I said fine.

12 38934 MR. WOLSON: All right.

13 38935 THE RIGHT HON. BRIAN MULRONEY: I was  
14 about, I suppose, 25 minutes away from L'Esterel to  
15 Mirabel, about 25 minutes, I think.

16 38936 MR. WOLSON: Were you at that time  
17 involved in your partnership with Ogilvy Renault?

18 38937 THE RIGHT HON. BRIAN MULRONEY: I  
19 think that I was -- I'm not sure. I think I was to  
20 start on the 4th of September, after Labour Day.

21 38938 MR. WOLSON: Were you going into the  
22 office? Did they provide you some kind of office to  
23 work from?

24 38939 THE RIGHT HON. BRIAN MULRONEY: Well,  
25 I went in just to get the lay of the land, yes.

1 38940 MR. WOLSON: All right. And you  
2 had --

3 38941 THE RIGHT HON. BRIAN MULRONEY: But I  
4 didn't have an office really until -- I didn't have an  
5 office until late September, when I came back from  
6 China.

7 38942 MR. WOLSON: And you had -- yes...?

8 38943 THE RIGHT HON. BRIAN MULRONEY: But I  
9 could have had facilities there, yes.

10 38944 MR. WOLSON: You had a relationship  
11 with them beyond your partnership. What you were going  
12 to do on your international work was separate and  
13 apart?

14 38945 That was your own through a  
15 company --

16 38946 THE RIGHT HON. BRIAN MULRONEY: That  
17 is right.

18 38947 MR. WOLSON: -- called Cansult.

19 38948 THE RIGHT HON. BRIAN MULRONEY: That  
20 is right.

21 38949 MR. WOLSON: All right. So you then  
22 go with the RCMP, two of them --

23 38950 THE RIGHT HON. BRIAN MULRONEY: M'hm.

24 38951 MR. WOLSON: -- they drive you -- I  
25 would like to get you to say yes or expand on that,

1           but --

2       38952                   THE RIGHT HON. BRIAN MULRONEY:   Yes.

3       38953                   MR. WOLSON:   -- it's a work in

4           progress, I can see.

5       38954                   So you go with the RCMP from your

6           cottage in L'Esterel and you go to the Mirabel Hotel?

7       38955                   THE RIGHT HON. BRIAN MULRONEY:   Yes.

8       38956                   MR. WOLSON:   About a 25-minute, half

9           an hour drive?

10      38957                   THE RIGHT HON. BRIAN MULRONEY:   Yes.

11      38958                   MR. WOLSON:   The cottage that you

12           were renting had a safe in it?

13      38959                   THE RIGHT HON. BRIAN MULRONEY:   We

14           had a -- my wife had a safety deposit kind of box that

15           she used to secure personal matters and private items,

16           yes.

17      38960                   MR. WOLSON:   At the cottage?

18      38961                   THE RIGHT HON. BRIAN MULRONEY:   At

19           the cottage, yes.

20      38962                   MR. WOLSON:   Is this a cottage you

21           had rented before?

22      38963                   THE RIGHT HON. BRIAN MULRONEY:   No, I

23           have not rented it before.

24      38964                   MR. WOLSON:   Okay.

25      38965                   MR. WOLSON:   So she brought something

1 along with her to the cottage which was in the form  
2 of --

3 38966 THE RIGHT HON. BRIAN MULRONEY: Yes,  
4 for --

5 38967 MR. WOLSON: -- some security box?

6 38968 THE RIGHT HON. BRIAN MULRONEY: For  
7 jewelry and private matters like that.

8 38969 MR. WOLSON: Yes. I thought it  
9 wasn't for your jewelry. I'm sure it was for hers.

10 38970 THE RIGHT HON. BRIAN MULRONEY: You  
11 are right on that, sir.

12 38971 MR. WOLSON: Yes. You then drive off  
13 with the RCMP and you get to Mirabel.

14 38972 Now, Mr. Schreiber said that when he  
15 got to Mirabel you had rented -- you had had a room  
16 rented.

17 38973 Is that true or untrue?

18 38974 THE RIGHT HON. BRIAN MULRONEY: There  
19 are perhaps records, I don't know, but I -- I certainly  
20 didn't reserve any room. And if that's Mr. Schreiber's  
21 position, I can only conclude that Mr. Doucet or  
22 someone else, someone on his staff, you know, rented  
23 the room on his behalf.

24 38975 MR. WOLSON: Okay. So there was a  
25 rented room. You were made aware of it when you got to

1 the hotel; right?

2 38976 THE RIGHT HON. BRIAN MULRONEY: I  
3 knew that he had a room there before I arrived.

4 38977 MR. WOLSON: Yes.

5 38978 THE RIGHT HON. BRIAN MULRONEY: When  
6 I arrived we inquired -- I got left with the police and  
7 we crossed the lobby and went to the information  
8 counter and asked if there was a room in  
9 Mr. Schreiber's name, and they said yes, it is such and  
10 such a number.

11 38979 MR. WOLSON: And these are  
12 plainclothes police, I take it, or were they wearing  
13 the --

14 38980 THE RIGHT HON. BRIAN MULRONEY: No,  
15 no, they are plainclothes, yes.

16 38981 MR. WOLSON: Plainclothes. You go up  
17 and Schreiber is in the room, is he?

18 38982 THE RIGHT HON. BRIAN MULRONEY: I go  
19 up and knock on the door. The door opens and he is in  
20 the room, yes.

21 38983 MR. WOLSON: And do the RCMP stand  
22 outside the door?

23 38984 THE RIGHT HON. BRIAN MULRONEY: I  
24 don't know where they remained. I don't know where  
25 they stayed. They did not come inside with us.

1 38985 MR. WOLSON: All right. So there is  
2 just the two of you in this hotel room.

3 38986 THE RIGHT HON. BRIAN MULRONEY:  
4 That's right.

5 38987 MR. WOLSON: Did you say to him,  
6 Karlheinz, I heard from Fred. Let's talk. What do you  
7 have to offer? What are you talking about?

8 38988 THE RIGHT HON. BRIAN MULRONEY: No, I  
9 didn't say that.

10 38989 MR. WOLSON: Okay.

11 38990 THE RIGHT HON. BRIAN MULRONEY: I  
12 came in and sat down and we chatted for a few minutes,  
13 talked, discussed, about things, and the first thing he  
14 said to me was I have retained Ian Scott to sue your  
15 government.

16 38991 So I figured, with some -- how would  
17 I say, not hostility but irritation. So I figure this  
18 meeting is going to be very short and sweet, and God  
19 knows I wish it had been.

20 38992 MR. WOLSON: You were brought out,  
21 you thought, under a false pretence.

22 38993 THE RIGHT HON. BRIAN MULRONEY: Not  
23 really. I just -- I just -- I didn't expect that kind  
24 of initial contact.

25 38994 MR. WOLSON: All right. So he tells

1           you that.

2           38995                   THE RIGHT HON. BRIAN MULRONEY: I  
3           said go ahead and sue, it's a free country. If you  
4           think that you have been deprived of your rights and  
5           you want to take action against my government or any  
6           other government, that's what the courts are for. Go  
7           ahead.

8           38996                   MR. WOLSON: Not a very good  
9           introduction to a business relationship.

10          38997                   THE RIGHT HON. BRIAN MULRONEY: Not  
11          at all, which is why as I said earlier, I thought it  
12          would be pretty short and sweet.

13          38998                   MR. WOLSON: All right. He moves on  
14          from that to what?

15          38999                   THE RIGHT HON. BRIAN MULRONEY: He  
16          moves on from that to I believe the next item was a  
17          more relaxed conversation just about himself and his  
18          business, at which point, that's when he hauled out the  
19          advertising brochure, the business brochures,  
20          merchandising brochures that I have told you about.

21          39000                   MR. WOLSON: And what is -- he tells  
22          you he wants to retain you; right?

23          39001                   THE RIGHT HON. BRIAN MULRONEY: Yes.

24          39002                   MR. WOLSON: What exactly is the  
25          retainer for? What did he tell you it was for?

1           39003                   THE RIGHT HON. BRIAN MULRONEY: To  
2           represent his interests internationally in respect of  
3           his interests, which I of course immediately construed  
4           to be the promotion and enhancement of his  
5           possibilities in regard to the export market for the  
6           vehicles that he was identifying for me.

7           39004                   MR. WOLSON: Did you talk about that?

8           39005                   THE RIGHT HON. BRIAN MULRONEY: Oh  
9           sure.

10          39006                   MR. WOLSON: So it was clear, without  
11          question, the retainer was to promote internationally  
12          the product that he had provided to you?

13          39007                   THE RIGHT HON. BRIAN MULRONEY: Yes,  
14          sir.

15          39008                   MR. WOLSON: So you made this  
16          agreement with him in Canada in the Mirabel Hotel?

17          39009                   THE RIGHT HON. BRIAN MULRONEY: That  
18          is right. I said I think this is something, Karlheinz,  
19          that I can usefully do for you.

20          39010                   MR. WOLSON: Yes. Did you tell him  
21          what you would do?

22          39011                   THE RIGHT HON. BRIAN MULRONEY: No,  
23          not at all. It was presented to me -- and he told me,  
24          I'm sorry, this will be fairly brief because Bärbel is  
25          waiting for me at the airport and I have to get back to



1 catch our flight. I said fine. He told me about the  
2 international part of it, which I quickly understood.

3 39012 As I indicated to you, I construed  
4 this as something that was not unusual in my life. It  
5 was kind of like a watching brief, to represent the  
6 interests and defend the interests of the company in  
7 question.

8 39013 MR. WOLSON: Did he tell you it was a  
9 watching brief?

10 39014 THE RIGHT HON. BRIAN MULRONEY: No,  
11 he did not use that term. I said that was my  
12 construction that I placed on it.

13 39015 MR. WOLSON: Okay. So there was no  
14 definition really of the mandate?

15 39016 THE RIGHT HON. BRIAN MULRONEY: No,  
16 which is why, sir, as I indicated a few days ago, why I  
17 had to sit down and kind of figure out what I could  
18 constructively and usefully do for him.

19 39017 MR. WOLSON: Did you discuss with him  
20 after you received the retainer, even after he left,  
21 did you call him or did you have a way of getting in  
22 touch with him?

23 39018 THE RIGHT HON. BRIAN MULRONEY: The  
24 only way that I had was through Fred Doucet --

25 39019 MR. WOLSON: When you --

1           39020                           THE RIGHT HON. BRIAN MULRONEY:  --  
2           which is why -- sir, just to conclude -- which is why  
3           after the meeting I called Fred to tell him that I had  
4           met with Mr. Schreiber as he had arranged and that  
5           Mr. Schreiber had indeed retained my services to  
6           represent his interests internationally and that I  
7           would get back to him.

8           39021                           MR. WOLSON:  Did you tell  
9           Mr. Schreiber after the August meeting, did you call  
10          him and say, Karlheinz, this is what I see I can do for  
11          you?  Did you do that?

12          39022                           THE RIGHT HON. BRIAN MULRONEY:  No,  
13          because I think that would have been premature.

14          39023                           What happened was that I set out  
15          preparing for my visit to China, and as I looked at the  
16          schedule that had come in and then further notes that  
17          had come to me from the Government of China indicating  
18          the people who were ready to receive me, and I took the  
19          file out, the documents I had placed in the file, and  
20          staring me in the face is the vehicle with white paint  
21          on it and big United Nations markings all over it.

22          39024                           So having told him I thought that  
23          this was something that I could usefully do, given my  
24          background and my experience at the United Nations, and  
25          my knowledge that standardization was a growing feature

1 of NATO requirements, I figured well, maybe what I  
2 could do here is see how I can get the United Nations  
3 Security Council, through the P5, involved in this and  
4 I'm going to try -- because I am going to China, I am  
5 going to begin there as a member of the P5 by sounding  
6 them out on this. That's how it began.

7 39025 MR. WOLSON: Did you discuss with  
8 Schreiber the length of term of the retainer?

9 39026 THE RIGHT HON. BRIAN MULRONEY: No, I  
10 did not. I did not.

11 39027 MR. WOLSON: So it was merely you  
12 accept --

13 39028 THE RIGHT HON. BRIAN MULRONEY: It  
14 appeared to be -- it appeared to be open-ended, yes.

15 39029 MR. WOLSON: So you accepted an  
16 open-ended retainer without really -- when you left the  
17 hotel you really at that time had not really figured  
18 out what you would do. That came later; right?

19 39030 THE RIGHT HON. BRIAN MULRONEY: That  
20 is right. As has happened in other situations,  
21 services are often retained, lawyers and other people,  
22 by clients simply to ensure that that person does not  
23 act for anyone else, or in competition with the client.

24 39031 It has happened to me as well that I  
25 have received these kinds of relationships and with no

1 more instructions than we will be back to you or we  
2 will call you when we need you, but we want you on our  
3 side.

4 39032 MR. WOLSON: So did Schreiber say  
5 that to you?

6 39033 THE RIGHT HON. BRIAN MULRONEY: No,  
7 but I think he told you. I think he told you that the  
8 object of the exercise for him was that while he had  
9 not given me specific instructions, he wanted to be  
10 able to reactivate me for a big deal if it happened.

11 39034 MR. WOLSON: All right. So you leave  
12 the meeting --

13 39035 THE RIGHT HON. BRIAN MULRONEY: M'hm.

14 39036 MR. WOLSON: -- with an open-ended  
15 retainer --

16 39037 THE RIGHT HON. BRIAN MULRONEY: Yes.

17 39038 MR. WOLSON: -- to act  
18 internationally --

19 39039 THE RIGHT HON. BRIAN MULRONEY: Yes.

20 39040 MR. WOLSON: -- but not really having  
21 anything firm by way of any agreement in that respect?

22 39041 THE RIGHT HON. BRIAN MULRONEY: That  
23 is right.

24 39042 MR. WOLSON: And at the end of the  
25 meeting -- I take it that it was the end when he went

1 to pay you?

2 39043 THE RIGHT HON. BRIAN MULRONEY: Yes.

3 39044 MR. WOLSON: He gives you an envelope  
4 and what does he say to you?

5 39045 THE RIGHT HON. BRIAN MULRONEY: He  
6 says this is the first payment on the retainer, or in  
7 advance for the retainer, words to that effect. The  
8 words retainer and advance were used and that's what he  
9 said.

10 39046 MR. WOLSON: Does he tell you what is  
11 in the envelope?

12 39047 THE RIGHT HON. BRIAN MULRONEY: No,  
13 he did not.

14 39048 MR. WOLSON: Did he tell you it was  
15 cash?

16 39049 THE RIGHT HON. BRIAN MULRONEY: He  
17 told me it was cash in response to a hesitation that I  
18 evinced. When I saw it, I knew that it wasn't a  
19 cheque.

20 39050 MR. WOLSON: All right. So you  
21 hesitated. Why did you hesitate?

22 39051 THE RIGHT HON. BRIAN MULRONEY:  
23 Because this was my first time out after serving as  
24 Prime Minister. I had not had this experience before.

25 39052 MR. WOLSON: The experience before

1           being taking cash?

2       39053                   THE RIGHT HON. BRIAN MULRONEY:   Of  
3           been confronted like this.

4       39054                   MR. WOLSON:   With cash?

5       39055                   THE RIGHT HON. BRIAN MULRONEY:   Yes.

6       39056                   MR. WOLSON:   Yes.

7       39057                   THE RIGHT HON. BRIAN MULRONEY:   And  
8           so at that point in time, as I have indicated, I saw it  
9           and said -- that's when I -- excuse me, that is when I  
10          should have said I'm happy to try and do this, but I  
11          need a cheque. Unfortunately --

12      39058                   MR. WOLSON:   Yes...?

13      39059                   THE RIGHT HON. BRIAN MULRONEY:   -- I  
14          didn't say that. I should have and that is the genesis  
15          of my difficulties today, was my error.

16      39060                   MR. WOLSON:   No, I understand that.

17      39061                   THE RIGHT HON. BRIAN MULRONEY:  
18          Simply because it would have changed the water  
19          considerably had I done that.

20      39062                   MR. WOLSON:   Of course. Now, when  
21          you hesitated, did you hesitate because it just was  
22          contrary to your instincts?

23      39063                   THE RIGHT HON. BRIAN MULRONEY:   I  
24          hesitated because I certainly felt that this was  
25          unusual.

1 39064 MR. WOLSON: All right. And he then  
2 said to you...?

3 39065 THE RIGHT HON. BRIAN MULRONEY: I am  
4 an international businessman and I only deal in cash.

5 39066 MR. WOLSON: Stop there. Or maybe  
6 you shouldn't stop there.

7 39067 Did you have something else you  
8 wanted to say at that point?

9 39068 THE RIGHT HON. BRIAN MULRONEY: No,  
10 sir.

11 39069 MR. WOLSON: All right. I am an  
12 international businessman and I only deal in cash.

13 39070 Did you ask him what that meant?

14 39071 THE RIGHT HON. BRIAN MULRONEY: No.  
15 It was widely known in those days that European --  
16 principally European companies had different approaches  
17 to business internationally than North American  
18 businesses.

19 39072 So I was just -- I was aware  
20 generally that the practices were not identical.

21 39073 MR. WOLSON: Did you think that  
22 international businessman dealt with suitcases of cash?

23 39074 THE RIGHT HON. BRIAN MULRONEY: No, I  
24 don't -- I didn't see a suitcase. I saw --

25 39075 MR. WOLSON: Or packages of cash?

1           39076                   THE RIGHT HON. BRIAN MULRONEY:  It  
2           wasn't a package.  It was a legal sized envelope.

3           39077                   MR. WOLSON:  What is a legal sized  
4           envelope, the big manila type?  Or what is a legal  
5           sized envelope?

6           39078                   THE RIGHT HON. BRIAN MULRONEY:  The  
7           medium size that you see in law firms all the time.

8           39079                   MR. WOLSON:  Okay.

9           39080                   THE RIGHT HON. BRIAN MULRONEY:  And  
10          that was it.  And so I hesitated and then he said what  
11          he said and, as I have indicated to you, that's where I  
12          very much regret not having said look, I think I can do  
13          something for you here, Karlheinz, but I should be paid  
14          by cheque.

15          39081                   MR. WOLSON:  Now, you have dealt with  
16          many international business people and you are on the  
17          boards of many international corporations; true?

18          39082                   THE RIGHT HON. BRIAN MULRONEY:  True.

19          39083                   MR. WOLSON:  Has any other  
20          international man or woman of business ever given you  
21          money in this fashion?

22          39084                   THE RIGHT HON. BRIAN MULRONEY:  No.  
23          And I think the reason is that I have always dealt with  
24          publicly traded corporations in all other instances and  
25          I think that Mr. Schreiber, as it turns out, while



1 Chairman of Thyssen Canada, was really not a direct  
2 decider in the Thyssen business and that he had his  
3 own -- he was representing his own interests.

4 39085 And I find out now that that is what  
5 he was really asking me to do, to help him in the  
6 promotion of his own interests.

7 39086 MR. WOLSON: But at the time you  
8 thought that he was associated with Thyssen --

9 39087 THE RIGHT HON. BRIAN MULRONEY: Yes,  
10 I did.

11 39088 MR. WOLSON: -- International.

12 39089 THE RIGHT HON. BRIAN MULRONEY: Yes.

13 39090 MR. WOLSON: At the time you knew  
14 they had 160,000 jobs worldwide

15 39091 THE RIGHT HON. BRIAN MULRONEY:  
16 That's right.

17 39092 MR. WOLSON: At the time you knew  
18 they had 3,000 jobs, people working for them in Canada.

19 39093 THE RIGHT HON. BRIAN MULRONEY: Yes,  
20 I did.

21 39094 MR. WOLSON: And you know that large  
22 corporations like this don't deal in cash?

23 39095 THE RIGHT HON. BRIAN MULRONEY: Well,  
24 large corporations like this in North America don't  
25 deal in cash. Large corporations like this did deal in

1 cash in Europe.

2 39096 MR. WOLSON: Did you ever deal in  
3 Europe with a corporation that paid you in cash?

4 39097 THE RIGHT HON. BRIAN MULRONEY: No, I  
5 indicated that I did not.

6 39098 MR. WOLSON: All right. Did you know  
7 whether Schreiber or Thyssen -- because you associated  
8 the two at the time -- had shareholders?

9 39099 THE RIGHT HON. BRIAN MULRONEY:  
10 Thyssen Canada?

11 39100 MR. WOLSON: Yes.

12 39101 THE RIGHT HON. BRIAN MULRONEY: I did  
13 not know.

14 39102 MR. WOLSON: Or Thyssen Germany?

15 39103 THE RIGHT HON. BRIAN MULRONEY:  
16 Thyssen Bear Head?

17 39104 MR. WOLSON: Yes.

18 39105 THE RIGHT HON. BRIAN MULRONEY: I did  
19 not know.

20 39106 MR. WOLSON: Did you know whether  
21 there were partners?

22 39107 THE RIGHT HON. BRIAN MULRONEY: In  
23 those companies?

24 39108 MR. WOLSON: Yes.

25 39109 THE RIGHT HON. BRIAN MULRONEY: No, I

1 did not.

2 39110 MR. WOLSON: Okay. So you have never  
3 had a client -- and I'm only talking about on the  
4 international scene --

5 39111 THE RIGHT HON. BRIAN MULRONEY: M'hm.

6 39112 MR. WOLSON: You have never had a  
7 client, aside from Schreiber, deal in cash?

8 39113 THE RIGHT HON. BRIAN MULRONEY: Mr.  
9 Schreiber was the first person I met in that capacity  
10 after I left office, and the comments that I have made  
11 and the responses that I could give you are informed by  
12 events and knowledge that I subsequently acquired as I  
13 began to serve on boards elsewhere --

14 39114 MR. WOLSON: Yes.

15 39115 THE RIGHT HON. BRIAN MULRONEY: --  
16 and acquire more experience.

17 39116 MR. WOLSON: But you began to serve  
18 on boards when? When did you first begin? When did  
19 you get involved with Barrick and several other of the  
20 boards?

21 39117 THE RIGHT HON. BRIAN MULRONEY: I  
22 would say in November/December of '93 and then much  
23 later.

24 39118 MR. WOLSON: All right.

25 39119 THE RIGHT HON. BRIAN MULRONEY: But

1 European boards and international companies, what I'm  
2 talking about here are Canadian and American companies.

3 39120 MR. WOLSON: Yes.

4 39121 THE RIGHT HON. BRIAN MULRONEY: The  
5 international companies, many years later.

6 39122 MR. WOLSON: Okay.

7 39123 It has been your experience, though,  
8 that any of the boards or international corporations  
9 you have been involved in have paid by a more  
10 transparent way?

11 39124 THE RIGHT HON. BRIAN MULRONEY: Mr.  
12 Wolson --

13 39125 MR. WOLSON: Is that true?

14 39126 THE RIGHT HON. BRIAN MULRONEY: That  
15 is true. What I quite frankly was surprised to  
16 learn -- I did not know -- as the years went by that  
17 international companies operating in Europe were indeed  
18 operating in ways inconsistent with Canadian laws,  
19 because they were making either political contributions  
20 or bribes and writing them off on their taxes.

21 39127 MR. WOLSON: But this wasn't, in your  
22 mind, either of those?

23 39128 THE RIGHT HON. BRIAN MULRONEY: No.  
24 No. I'm indicating that.

25 39129 MR. WOLSON: Yes.

1       39130                   THE RIGHT HON. BRIAN MULRONEY: This  
2           was the extent -- a German company competing with a  
3           Canadian company, say for a contract in Indonesia, was  
4           allowed to provide bribes in that transaction, and  
5           indeed write them off against their German income.

6       39131                   MR. WOLSON: When did you find that  
7           out?

8       39132                   THE RIGHT HON. BRIAN MULRONEY: Oh,  
9           as I started to serve on boards there --

10      39133                   MR. WOLSON: When?

11      39134                   THE RIGHT HON. BRIAN MULRONEY: -- a  
12           number of years later, five or six years later. I  
13           think that's when I began.

14      39135                   MR. WOLSON: So about 1996, seven,  
15           eight?

16      39136                   THE RIGHT HON. BRIAN MULRONEY: I  
17           would say, you know, in that ballpark.

18      39137                   MR. WOLSON: Okay.

19      39138                   THE RIGHT HON. BRIAN MULRONEY:  
20           Somewhere in there. I can't be precise.

21      39139                   But I guess the point is that by way  
22           of comparison, I was also informed in that general  
23           timeframe that the kind of practice that I have  
24           described, which involved major international  
25           corporations operating out of Germany, they would be in

1 competition with an American company with the Foreign  
2 Corrupt Practices Act, where Americans would go to jail  
3 if they tried to compete with a European company doing  
4 the same thing that I have described.

5 39140 This indicates, I think, the  
6 difference between the mindsets of these people. So  
7 that I suppose when Mr. Schreiber said in those  
8 circumstances -- and he certainly knew something that I  
9 didn't know. When he said I am an international  
10 businessman and I only deal in cash, I think that was  
11 probably consistent with his experience.

12 39141 MR. WOLSON: In year nine years as  
13 Prime Minister of this country, I am assuming that  
14 there were some international business conducted.

15 39142 THE RIGHT HON. BRIAN MULRONEY: Oh,  
16 sure.

17 39143 MR. WOLSON: And monies were paid by  
18 the Government of Canada or by another government to  
19 Canada for projects, I take it.

20 39144 THE RIGHT HON. BRIAN MULRONEY: I  
21 assume so. Mostly on the development side, CIDA and  
22 things like that.

23 39145 MR. WOLSON: Yes. And you are an  
24 incredibly bright and sophisticated man. You would  
25 know clearly that as far as Brian Mulroney is

1           concerned, you are not going to deal in cash.

2       39146                    That is something that would be --

3           you would be careful with how you conduct business.

4       39147                    THE RIGHT HON. BRIAN MULRONEY: I

5           think I told you, sir, that that was the mistake and

6           the genesis of the difficulties that I have had.

7       39148                    MR. WOLSON: Just the mere hesitation

8           would speak volumes.

9       39149                    THE RIGHT HON. BRIAN MULRONEY: I

10          think so.

11       39150                    MR. WOLSON: Yes.

12       39151                    THE RIGHT HON. BRIAN MULRONEY: And

13          it is to my, as you can imagine, eternal regret --

14       39152                    MR. WOLSON: I understand that.

15       39153                    THE RIGHT HON. BRIAN MULRONEY: --

16          that I didn't follow through and simply say -- it

17          wouldn't have been difficult, as it turned out -- look,

18          Karlheinz, this is something I think I can usefully do

19          for you, but I need a cheque.

20       39154                    MR. WOLSON: Did it bother you

21          afterwards in terms of the next day or the next week or

22          the next month, sort of replaying the scenario and --

23       39155                    THE RIGHT HON. BRIAN MULRONEY: No.

24       39156                    MR. WOLSON: It didn't.

25       39157                    THE RIGHT HON. BRIAN MULRONEY: No, I

1           wasn't -- I had what I expressed to you. I wasn't  
2           traumatized at the moment by it. I thought it was  
3           unconventional, but clearly it is -- it is perfectly  
4           legal to deal in Canadian tender.

5       39158                   He had asked me -- he asked me to do  
6           work for him. He was going to pay me in Canadian  
7           dollars, and I did the work.

8       39159                   I knew that it was unconventional.  
9           That's why I hesitated.

10      39160                   MR. WOLSON: Now --

11      39161                   THE RIGHT HON. BRIAN MULRONEY: But I  
12           can't say anything beyond that, sir.

13      39162                   MR. WOLSON: Did you think perhaps --  
14           you knew Fred worked with him.

15      39163                   You knew Fred had lobbied for him and  
16           had a business relationship with -- Fred Doucet, that  
17           is --

18      39164                   THE RIGHT HON. BRIAN MULRONEY: Yes.  
19           Oh, yes.

20      39165                   MR. WOLSON: -- had a business  
21           relationship with Karlheinz Schreiber.

22      39166                   THE RIGHT HON. BRIAN MULRONEY: Sure.

23      39167                   MR. WOLSON: Did you phone Fred, who  
24           is -- Fred must be close to like a brother to you.

25      39168                   THE RIGHT HON. BRIAN MULRONEY: Well,



1 I'm not sure that he would appreciate that degree of  
2 affinity.

3 39169 MR. WOLSON: He might. I think he  
4 would be more worried about you.

5 39170 THE RIGHT HON. BRIAN MULRONEY: But  
6 Fred and I were good friends for a long time.

7 39171 MR. WOLSON: Yes. Did you phone Fred  
8 and say to Fred, you know, Fred, -- you called him  
9 Fred?

10 39172 THE RIGHT HON. BRIAN MULRONEY: Yes,  
11 sir.

12 39173 MR. WOLSON: Did you say to him,  
13 Fred, you know, something happened the other day with  
14 your former client, Karlheinz Schreiber. Let me run  
15 this by you and let me get your view of it.

16 39174 Did you do that?

17 39175 THE RIGHT HON. BRIAN MULRONEY: No, I  
18 didn't and I ought to have, perhaps. But I didn't do  
19 it any more than he called me to say that he was a  
20 lobbyist and he had received money from Mr. Schreiber.  
21 That was a personal matter.

22 39176 MR. WOLSON: You would have assumed  
23 that he had received a cheque when --

24 39177 THE RIGHT HON. BRIAN MULRONEY: Yes,  
25 I probably did. Yes, sir.

1 39178 MR. WOLSON: And then what you --

2 39179 THE RIGHT HON. BRIAN MULRONEY: Now,

3 I did call him, as you know.

4 39180 MR. WOLSON: Yes.

5 39181 THE RIGHT HON. BRIAN MULRONEY: I

6 called him to report that the meeting had gone well and

7 that it was consistent with what he had told me, but I

8 didn't get into the amounts or the nature of the

9 payments.

10 39182 MR. WOLSON: Even without getting

11 into the amounts, it is so unconventional, as you have

12 said, for a Canadian -- that's true, isn't it?

13 39183 THE RIGHT HON. BRIAN MULRONEY: I

14 think that's true.

15 39184 MR. WOLSON: Yes. Being that it was

16 so unconventional, when you called Fred, irrespective

17 of saying the amount of money --

18 39185 THE RIGHT HON. BRIAN MULRONEY: M'hm.

19 39186 MR. WOLSON: -- because that may be a

20 personal matter.

21 39187 THE RIGHT HON. BRIAN MULRONEY: M'hm.

22 39188 MR. WOLSON: Did you say -- even

23 without saying he paid you in cash, did you say how did

24 this man pay you, Fred? Just to find out how Fred was

25 paid.

1       39189                   THE RIGHT HON. BRIAN MULRONEY:  I  
2            have told you, sir, I didn't have that part of the  
3            conversation with him.

4       39190                   MR. WOLSON:  Okay.  Now you are  
5            riding back to your cottage, the rented cottage.

6       39191                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

7       39192                   MR. WOLSON:  And you have this  
8            seventy -- did you know how much money was in there?

9       39193                   THE RIGHT HON. BRIAN MULRONEY:  No, I  
10           did not.  I didn't have a briefcase --

11       39194                   MR. WOLSON:  Yes.

12       39195                   THE RIGHT HON. BRIAN MULRONEY:  --  
13            and I had it with me.  I walked out.  The RCMP were  
14            there.  I went to the car and they drove me --

15       39196                   MR. WOLSON:  You put it in your suit  
16            jacket or --

17       39197                   THE RIGHT HON. BRIAN MULRONEY:  No, I  
18            just -- I carried it just like this.

19       39198                   MR. WOLSON:  So you are carrying --

20       39199                   THE RIGHT HON. BRIAN MULRONEY:  I had  
21            it in my hand and we went -- there was nothing -- you  
22            know, the fact that, if I may say, Mr. Commissioner, to  
23            talk about I can understand if you wish to place a  
24            sinister connotation on meetings in hotel rooms and so  
25            on.  The meetings in hotel rooms in this case took

1 place because he was going to Europe and he retained  
2 the room.

3 39200 We have explored the question of the  
4 cash payment. I didn't ask him for cash. I didn't  
5 even know what he was going to do.

6 39201 He did this and, as I say, my error  
7 was in not having insisted upon a cheque at the time.

8 39202 But here I arrive with two RCMP  
9 officers, and the transaction is concluded and I get in  
10 the vehicle with the RCMP and they drive me to the  
11 cottage.

12 39203 MR. WOLSON: And you are holding --

13 39204 THE RIGHT HON. BRIAN MULRONEY: There  
14 is nothing -- there was no sinister intention or  
15 knowledge or any such thing.

16 39205 MR. WOLSON: And you are holding an  
17 envelope in your hands --

18 39206 THE RIGHT HON. BRIAN MULRONEY:  
19 Carrying it, just the way you would.

20 39207 MR. WOLSON: And you find out,  
21 because you hadn't --

22 39208 THE RIGHT HON. BRIAN MULRONEY: At  
23 home.

24 39209 MR. WOLSON: Yes. You find out at  
25 home that there are 75 \$1,000 bills.

1           39210                   THE RIGHT HON. BRIAN MULRONEY:  
2           That's right, yeah.

3           39211                   And I put it in the safe, and I  
4           closed the safe.

5           39212                   MR. WOLSON: So here you are, riding  
6           with two Mounties, in a vehicle --

7           39213                   THE RIGHT HON. BRIAN MULRONEY: Yeah.

8           39214                   MR. WOLSON: -- holding this package.  
9           Perhaps putting it down by your side as you are  
10          driving, but nonetheless you have a package of cash.

11          39215                   THE RIGHT HON. BRIAN MULRONEY: That  
12          is right.

13          39216                   MR. WOLSON: All right. You get home  
14          and you open the package --

15          39217                   THE RIGHT HON. BRIAN MULRONEY: I get  
16          home, and I go into the cottage and open the small safe  
17          that was there, and before I deposited it there I  
18          opened it and looked at it, and counted it, and that's  
19          what it was, \$75,000.

20          39218                   MR. WOLSON: Did it strike you at  
21          that time, now having had half an hour on the ride  
22          back, to think to yourself, "You know, something is  
23          rotten here in the State of Denmark," or something like  
24          that? "It just doesn't sit well with me"?

25          39219                   THE RIGHT HON. BRIAN MULRONEY: Well,

1 I had had the feeling, I told you, that this was  
2 unconventional or unusual, and I reacted in that way.

3 39220 But, no, it was a payment that I put  
4 in the safe and I was resolved to do good work for it.

5 39221 MR. WOLSON: Did you know whether or  
6 not, or did you ask whether, or think whether, maybe,  
7 this man is trying to evade his income taxes?

8 39222 THE RIGHT HON. BRIAN MULRONEY: No, I  
9 did not.

10 39223 MR. WOLSON: All right. You head off  
11 to China -- and we will talk about that China trip,  
12 probably, this afternoon.

13 39224 THE RIGHT HON. BRIAN MULRONEY:  
14 M'hmm.

15 39225 MR. WOLSON: You next meet with him,  
16 Mr. Schreiber --

17 39226 Do you have any contact with  
18 Schreiber between the receiving of this money and  
19 December 17 or 18?

20 39227 THE RIGHT HON. BRIAN MULRONEY: The  
21 contact was through Mr. Doucet, and --

22 39228 MR. WOLSON: You are in private  
23 practice now, why would you need to have someone as an  
24 intermediary?

25 39229 THE RIGHT HON. BRIAN MULRONEY: Well,

1           that's the way it began, and Mr. Schreiber was on the  
2           trot all the time. I didn't know -- I didn't have  
3           the -- I suppose that I could have tracked it down, but  
4           I didn't have the **contact information** for him, and I  
5           called Fred, which was the way I began, and told him --

6   39230                   I think when I got back from China I  
7           gave him -- I'm not sure -- I gave him a general  
8           description of that, and he told me that Mr. Schreiber  
9           would be coming to Canada at some early moment.

10   39231                   I said, "Fine."

11   39232                   MR. WOLSON: You always seem to --  
12           with one exception, being The Savoy in Zurich in `98,  
13           you are always operating through an intermediary with  
14           Schreiber.

15   39233                   I guess the other exception would be  
16           the LOR, when he called you.

17   39234                   THE RIGHT HON. BRIAN MULRONEY: Yeah,  
18           and I think, at The Savoy as well, that wasn't an  
19           exception, I think there was an intermediary there,  
20           too.

21   39235                   MR. WOLSON: Okay. So you have --

22   39236                   THE RIGHT HON. BRIAN MULRONEY:  
23           Either it was Francine, in my office, or it was Paul  
24           Therrien, or someone else. I never called him  
25           directly, and he never called me, except in that period

1 of 1995, when the LOR --

2 39237 MR. WOLSON: All right. So you have  
3 no contact with Schreiber from August 27 -- the Mirabel  
4 Hotel --

5 39238 THE RIGHT HON. BRIAN MULRONEY:  
6 M'hmm.

7 39239 MR. WOLSON: "Yes" you answered?

8 39240 THE RIGHT HON. BRIAN MULRONEY: Yes,  
9 sir.

10 39241 MR. WOLSON: -- until you see him at  
11 the Hotel Queen Elizabeth.

12 39242 THE RIGHT HON. BRIAN MULRONEY: That  
13 is right.

14 39243 MR. WOLSON: And between that time --  
15 now a couple of months have passed. Right?

16 39244 THE RIGHT HON. BRIAN MULRONEY: Well,  
17 I've been in China and away --

18 39245 MR. WOLSON: Yes.

19 39246 THE RIGHT HON. BRIAN MULRONEY: --  
20 immediately thereafter, or almost immediately  
21 thereafter, for the better part of a month, in various  
22 ways.

23 39247 So I get back to Canada, which is  
24 basically the first time that I am able to set foot in  
25 my law firm on a sustained basis, and it was during



1           that timeframe, I am sure, that I called Fred and said:  
2           Look, I've just gotten back from China, and here is  
3           what has taken place.

4   39248                   MR. WOLSON:  And you never thought,  
5           from August 27th until December 17th, as a former Prime  
6           Minister, "This just isn't right"?

7   39249                   THE RIGHT HON. BRIAN MULRONEY:  Well,  
8           look, you are asking me to reconstruct a thought --

9   39250                   MR. WOLSON:  I'm asking you if you  
10          did, that's all.

11  39251                   THE RIGHT HON. BRIAN MULRONEY:  --  
12          from 15 or 16 years ago.

13  39252                   MR. WOLSON:  Yes.

14  39253                   THE RIGHT HON. BRIAN MULRONEY:  I  
15          indicated to you that, when it first happened, I  
16          hesitated because I thought it was unconventional, and  
17          it had certainly never happened to me before.

18  39254                   And I have also indicated to you the  
19          feeling that this was an error in judgment, in the  
20          sense that I had never heard of it before, in terms  
21          of --

22  39255                   MR. WOLSON:  I understand the  
23          error --

24  39256                   Yes, go ahead.

25  39257                   THE RIGHT HON. BRIAN MULRONEY:  I

1           certainly felt that hesitation at that time, but I  
2           cannot say that I went on, as a result of that, you  
3           know, being preoccupied by it on a daily basis. I was  
4           trying to get started again --

5           39258                   MR. WOLSON: So, as far as you  
6           recall, you never gave it a second thought, more or  
7           less.

8           39259                   THE RIGHT HON. BRIAN MULRONEY: I  
9           didn't say that, I said --

10          39260                   MR. WOLSON: Well, did you?

11          39261                   THE RIGHT HON. BRIAN MULRONEY: I  
12          said that I can't recall being preoccupied by this on a  
13          regular basis.

14          39262                   MR. WOLSON: Did you think about it  
15          at all?

16          39263                   THE RIGHT HON. BRIAN MULRONEY: I  
17          just can't tell you that. I may have. I may have, but  
18          I'm not certain.

19          39264                   If I could remember, I would tell  
20          you, clearly.

21          39265                   MR. WOLSON: I am sure you would.

22          39266                   THE RIGHT HON. BRIAN MULRONEY: Yeah.

23          39267                   MR. WOLSON: Now, you have the second  
24          meeting at the QE, and you expect him to bring you cash  
25          again?

1           39268                   THE RIGHT HON. BRIAN MULRONEY:  No.  
2           I'm not expecting anything, least of all that, because  
3           the initial retainer payment was only -- I don't  
4           know -- three or four months before.

5           39269                   MR. WOLSON:  Did you expect -- after  
6           being told at the Mirabel Hotel that he's an  
7           international man of business and he deals in cash, did  
8           you expect whenever you got subsequent retainers that  
9           they would be in cash?

10          39270                  THE RIGHT HON. BRIAN MULRONEY:  I  
11          didn't, no.

12          39271                  MR. WOLSON:  When you met with him at  
13          the QE in Montreal, did you say to him, "Karlheinz, you  
14          may be an international man of business, but I am a  
15          former Prime Minister and I just don't like to go on in  
16          this fashion"?

17          39272                  Did you make a statement like that,  
18          or some similar statement to him?

19          39273                  THE RIGHT HON. BRIAN MULRONEY:  No, I  
20          didn't.

21          39274                  First of all, I had no idea of what  
22          he was going to do or say, and I had no knowledge of  
23          the fact that he would give me the second payment on  
24          the retainer and/or advance, but I didn't have that  
25          conversation with him.

1           39275                   MR. WOLSON:  But it was the next time  
2           you had seen him, or talked to him, after Mirabel.

3           39276                   THE RIGHT HON. BRIAN MULRONEY:  That  
4           is right.

5           39277                   MR. WOLSON:  So any of your pent-up  
6           thoughts, you would have had, at least, an opportunity  
7           to raise them with him.

8           39278                   THE RIGHT HON. BRIAN MULRONEY:  No  
9           doubt.

10          39279                   MR. WOLSON:  Now, when you met at the  
11          Queen Elizabeth Hotel in Montreal, where is that in  
12          relation to Ogilvy Renault?

13          39280                   THE RIGHT HON. BRIAN MULRONEY:  It is  
14          on René Lévesque Boulevard, and Ogilvy Renault at that  
15          time was, really, on the corner of Sherbrooke and  
16          McGill College.  So it would have been, I suppose,  
17          maybe, ten blocks away.

18          39281                   MR. WOLSON:  Either, if you are a  
19          walker, a short walk, or if you hopped into a cab --

20          39282                   THE RIGHT HON. BRIAN MULRONEY:  Oh,  
21          it's not very far.

22          39283                   MR. WOLSON:  Did you suggest to Mr.  
23          Schreiber through --

24          39284                   And is it Fred who arranged this  
25          meeting, too?

1       39285                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
2           it was.

3       39286                   MR. WOLSON:  Did you suggest to Fred,  
4           "Fred, why don't you just have him pop up to Ogilvy  
5           Renault"?

6       39287                   Did you make that suggestion?

7       39288                   THE RIGHT HON. BRIAN MULRONEY:  No, I  
8           think he -- Fred sought the meeting on Mr. Schreiber's  
9           behalf on the weekend, either a -- I'm not sure -- a  
10          Saturday or a Sunday, I'm not sure, but I believe  
11          that's when it was.

12      39289                   He said:  I was told that he is in  
13          town, to return to Germany or Switzerland, and he would  
14          invite you for a cup of coffee at the Queen Elizabeth  
15          Hotel.

16      39290                   MR. WOLSON:  Now, Schreiber has  
17          testified that he had certain privileges at that hotel,  
18          including -- I think he called it the Gold Key Floor --  
19          and you may know this yourself, sir -- a lot of major  
20          hotels have a floor for preferred customers --

21      39291                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

22      39292                   MR. WOLSON:  -- or for so-called  
23          preferred customers --

24      39293                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

25      39294                   MR. WOLSON:  -- and they can go up

1           and have a cup of coffee, or have a beverage of some  
2           kind, and some snacks.

3       39295                   Was your meeting with him in a room  
4           like that?

5       39296                   THE RIGHT HON. BRIAN MULRONEY: All I  
6           remember about it was a quite large coffee shop, an  
7           ordinary coffee shop, with people milling around,  
8           walking in --

9       39297                   MR. WOLSON: Main floor or otherwise?

10      39298                   THE RIGHT HON. BRIAN MULRONEY: I  
11           don't know where it was.

12      39299                   There were a couple of coffee shops  
13           on the main floor -- or at least one on the main floor  
14           of the hotel. There may have been some elsewhere. I  
15           just can't remember where it was, except that it was a  
16           fairly large, conventional coffee shop.

17      39300                   MR. WOLSON: Do you know whether it  
18           was the Gold Key --

19      39301                   THE RIGHT HON. BRIAN MULRONEY: I do  
20           not, sir.

21      39302                   MR. WOLSON: Okay. So you can't say  
22           one way or the other.

23      39303                   THE RIGHT HON. BRIAN MULRONEY: No.  
24           All I know is that there were a fair number of people  
25           in there, and there were people walking in and out.

1 39304 MR. WOLSON: All right. So this  
2 meeting takes place over --

3 39305 What time did you go to the hotel?

4 39306 THE RIGHT HON. BRIAN MULRONEY: I  
5 think it was before noon, 11 o'clock maybe.

6 39307 MR. WOLSON: So you meet with him at  
7 11 o'clock in the morning.

8 39308 THE RIGHT HON. BRIAN MULRONEY:  
9 M'hmm.

10 39309 MR. WOLSON: Your answer is.?

11 39310 THE RIGHT HON. BRIAN MULRONEY: Yes,  
12 sir.

13 39311 MR. WOLSON: And how long is the  
14 meeting?

15 39312 THE RIGHT HON. BRIAN MULRONEY:  
16 Twenty minutes, half an hour, in that neighbourhood.

17 39313 MR. WOLSON: And what is discussed at  
18 that meeting, please?

19 39314 THE RIGHT HON. BRIAN MULRONEY: Well,  
20 what was discussed was, first of all, the results of  
21 the election that had just taken place.

22 39315 MR. WOLSON: It didn't go the way you  
23 thought it might.

24 39316 THE RIGHT HON. BRIAN MULRONEY: No,  
25 or I had predicted --

1 39317 MR. WOLSON: Yes.

2 39318 THE RIGHT HON. BRIAN MULRONEY: --

3 not at all.

4 39319 So we had that discussion there, and

5 that discussion took however long for me to wipe the

6 egg off my face in regard to my election prediction --

7 39320 MR. WOLSON: These things happen, I'm

8 sure.

9 39321 THE RIGHT HON. BRIAN MULRONEY: Yeah.

10 39322 Then I gave him a general report on

11 my trip to China, that I had developed -- since our

12 meeting, I had developed the concept of using the G5 to

13 see if we couldn't replicate what they were seeking to

14 do in NATO, namely, the standardization of equipment,

15 and that I took advantage of my trip to China and my

16 friendship with leading members of the Chinese

17 government to begin the process of sounding them out as

18 to how this might operate, and how it might look at the

19 P5 later on.

20 39323 MR. WOLSON: So what you did, in

21 effect, was that you told him how you saw the

22 mandate --

23 39324 THE RIGHT HON. BRIAN MULRONEY:

24 That's right.

25 39325 MR. WOLSON: -- how you could best



1           assist.

2       39326                   THE RIGHT HON. BRIAN MULRONEY:  Yeah.

3           He had not given me any precise instructions  
4       whatsoever, and I think he has testified before you  
5       that he didn't ask me for reports, he didn't expect  
6       reports, he expected me to do what I could on his  
7       behalf.

8       39327                   MR. WOLSON:  I would like you to  
9       focus on what your recollection is, as opposed to his  
10      evidence.

11      39328                   THE RIGHT HON. BRIAN MULRONEY:  Okay.

12      39329                   MR. WOLSON:  The Commissioner has his  
13      evidence.

14      39330                   So you come there, and you dispense  
15      with the egg on your face.

16      39331                   THE RIGHT HON. BRIAN MULRONEY:

17      M'hmm.

18      39332                   MR. WOLSON:  You then talk about how  
19      you perceive the mandate, in terms of how best you  
20      could be useful.

21      39333                   True?

22      39334                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
23      and how I already had begun to be useful.

24      39335                   MR. WOLSON:  Yes, and you tell him  
25      the plan, and the plan is to see each of the five

1 permanent members of the Security Council. Right?

2 39336 THE RIGHT HON. BRIAN MULRONEY:

3 That's right.

4 39337 MR. WOLSON: What is the plan,

5 actually? You were going to see --

6 39338 THE RIGHT HON. BRIAN MULRONEY: Look,

7 it's very embryonic. I am given no instructions. I am

8 told that it's the essential equivalent of a watching

9 brief, and I conclude on my own that this is a way that

10 this can be usefully done, and I begin the process in

11 China.

12 39339 As I move along, my thought was

13 simple and the following. Motivated as I was, and

14 understanding, as I did, the NATO experience of

15 standardization and what have you, and the complaints

16 of many Canadians and suppliers about the quality of

17 our peacekeeping vehicles, I thought this might be a

18 good way to be helpful.

19 39340 So I began the discussions with the

20 Chinese, in the belief that I could eventually see the

21 members of the P5, and then take their considered

22 views, if they were favourable -- take their views in

23 an enhanced fashion, by further work by Thyssen on

24 costs and what have you, in a preliminary way -- take

25 them to the Secretary General and ask him if he would

1           consider taking this to the members of the P5 for their  
2           consideration.

3       39341                   MR. WOLSON:   Who are going to buy the  
4           vehicles?

5       39342                   THE RIGHT HON. BRIAN MULRONEY:   Well,  
6           I assumed that they would be purchased, ultimately,  
7           through the United Nations.

8       39343                   MR. WOLSON:   But would it be the UN  
9           that was buying them?

10      39344                   THE RIGHT HON. BRIAN MULRONEY:   Well,  
11           the UN is financed by its member countries --

12      39345                   MR. WOLSON:   Yes.

13      39346                   THE RIGHT HON. BRIAN MULRONEY:   -- so  
14           that would have been a determination that the Council  
15           would have had to make, and there was a difficulty  
16           there, because a lot of people were opposed to the idea  
17           of the United Nations having its own forces.   But I  
18           thought that was not insurmountable.

19      39347                   MR. WOLSON:   So this was --

20      39348                   THE RIGHT HON. BRIAN MULRONEY:   This  
21           was a concept that I was developing, and I thought it  
22           was a pretty good one.

23      39349                   MR. WOLSON:   All right.   The concept,  
24           though, was somewhat contrary to the norm, at least of  
25           the UN.

1       39350                   THE RIGHT HON. BRIAN MULRONEY:  As it  
2           then was.

3       39351                   MR. WOLSON:  Yes.

4       39352                   THE RIGHT HON. BRIAN MULRONEY:  But  
5           people are moving more and more toward standardization.  
6           If you have a peacekeeping operation, say, in Central  
7           Africa, and the troops are from Bangladesh, and the  
8           Saudis and the Canadians, and you have three different  
9           types of equipment, and there are breakdowns and  
10          replacements are required, and spare parts, and what  
11          have you, it made -- I thought it made a lot more sense  
12          to have the United Nations having access to a single  
13          kind of vehicle that they could all service well.

14      39353                   MR. WOLSON:  Of course, if the UN  
15          Secretary General --

16      39354                   Who was it at the time, Ghali?

17      39355                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
18          Boutros-Ghali.

19      39356                   MR. WOLSON:  Boutros-Ghali.  If Mr.  
20          Ghali had said to you, "No, we are not doing this,  
21          Brian -- "

22      39357                   I am sure he called you that.

23      39358                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

24      39359                   MR. WOLSON:  I'm not trying to take  
25          liberties here in that regard, but I am sure he would

1           have called you that.

2       39360                   THE RIGHT HON. BRIAN MULRONEY:

3           M'hmm.

4       39361                   MR. WOLSON:  If he had said that, I  
5           guess it would have been back to the drawing board.

6       39362                   THE RIGHT HON. BRIAN MULRONEY:  My  
7           hope and belief was that he wouldn't say that, because  
8           the United Nations was really hurting for money.

9       39363                   The United States, as I have  
10          indicated to you, through Senator Jesse Helms, who  
11          controlled the Senate Foreign Relations Committee, had  
12          put the squeeze, totally, on the United Nations.  They  
13          cut their budget very dramatically, and the United  
14          Nations was effectively crippled.

15       39364                   It was for that reason that I had  
16          called Ambassador Stephen Lewis, whom I had appointed  
17          to the United Nations, and said that, because of what  
18          was happening to the UN, I was going to insist that  
19          Canada's contributions to the United Nations and our  
20          peacekeeping efforts, and so on -- that we try to make  
21          them on the 1st of January, in advance, every year, to  
22          signal our support to the United Nations and our  
23          confidence in them.

24       39365                   I said that I didn't want the  
25          Secretary General of the United Nations becoming a

1 mendicant, and having to go around to member countries  
2 with a tin cup, because the object of the United  
3 Nations was to help us all, and we couldn't cripple it.

4 39366 MR. WOLSON: Let me focus you,  
5 though --

6 39367 THE RIGHT HON. BRIAN MULRONEY: If I  
7 may just conclude --

8 39368 MR. WOLSON: Sure.

9 39369 THE RIGHT HON. BRIAN MULRONEY: The  
10 United Nations was overcome by budgetary problems  
11 because the United States government contributes, at  
12 least, at the time, 25 percent of the total budget of  
13 the UN, and they were really crippled.

14 39370 And I thought that if I could come  
15 up, with others, with a project that would cut down --  
16 because of the concept, cut down peacekeeping costs by  
17 \$100 million or \$200 million, whatever it was, that  
18 they would appreciate that and probably look upon it  
19 with favour.

20 39371 That was my hope.

21 39372 MR. WOLSON: Now, rather than go  
22 around the world, why not walk down to the -- not walk  
23 down to the United Nations, but take a flight from  
24 Montreal -- it probably takes an hour and a half -- go  
25 to see Mr. Ghali, say to Mr. Ghali, "This is my

1           proposal. I don't know whether I can get these other  
2           countries to fall in line. Does it meet your favour,  
3           or is it something that you think of?"

4       39373                    Rather than going around the world,  
5           visiting China, visiting Russia, going to the United  
6           States, visiting France, going to England, why not just  
7           go to see the Secretary General and say, "This is my  
8           plan"?

9       39374                    THE RIGHT HON. BRIAN MULRONEY:  
10          Because the Secretary General is not, in any way, a  
11          decision-maker at the United Nations. He is a  
12          representative selected to execute policy that is  
13          determined only by members of the P5 and the Security  
14          Council, in much the same way as if someone were going  
15          to do that with Canada --

16       39375                    MR. WOLSON: Yes.

17       39376                    THE RIGHT HON. BRIAN MULRONEY: If  
18          they wanted a major development or project with Canada  
19          and they went to see one of our ambassadors, say, at  
20          the United Nations, very little would happen. The  
21          ambassador would report, of course, because that is his  
22          job, but until Prime Minister Harper said, "This is a  
23          go," it's not going to happen.

24       39377                    I knew that, and that's why, inasmuch  
25          as I had begun with an opportunity -- I was going to be

1           in China anyway -- this was a good way to begin with  
2           the people who really make the decisions and count.

3       39378                   MR. WOLSON: Did you ever see Ghali?

4       39379                   THE RIGHT HON. BRIAN MULRONEY: Did I  
5           ever see him?

6       39380                   MR. WOLSON: On this matter.

7       39381                   THE RIGHT HON. BRIAN MULRONEY: No.

8           By the time I saw him -- this was after Airbus and the  
9           crippling of the entire association.

10      39382                   MR. WOLSON: That takes us to about  
11           12:20. I am not finished on the Queen Elizabeth, but I  
12           can do that when we come back.

13      39383                   Obviously I am not going to be done  
14           today.

15      39384                   COMMISSIONER OLIPHANT: All right.  
16           It's 12:20. What are you suggesting for the break?

17      39385                   MR. WOLSON: I thought, if we could  
18           finish today, we would take an hour for lunch -- and I  
19           had raised that with some of my friends. We can't  
20           finish, so if two o'clock suits everybody, we could  
21           come back at two and --

22      39386                   I notice that Mr. Mulroney is nodding  
23           his head, and you are nodding yours, too, Mr. Pratte.

24      39387                   People are nodding, so I will take  
25           that, two o'clock, if that's convenient to you, sir.



1       39388                   COMMISSIONER OLIPHANT: Just one  
2           question, if I might. I find your concept interesting,  
3           and I think you told us yesterday, or during the course  
4           of your evidence, that the concept included the  
5           acquisition of vehicles and the stationing of these  
6           vehicles at, I think you said, four or five different  
7           places in the world.

8       39389                   THE RIGHT HON. BRIAN MULRONEY: Yes,  
9           trouble spots, in the area of trouble spots.

10      39390                   COMMISSIONER OLIPHANT: Potential  
11           trouble spots.

12      39391                   THE RIGHT HON. BRIAN MULRONEY: Yes,  
13           indeed.

14      39392                   COMMISSIONER OLIPHANT: What was to  
15           happen, the vehicles would sit there waiting for  
16           trouble to break out?

17      39393                   THE RIGHT HON. BRIAN MULRONEY: Not  
18           necessarily, they could be used by the host countries,  
19           or the regional requirements, but when trouble did  
20           break out, say, in Central Africa, or elsewhere, they  
21           could quickly be moved to the trouble spot.

22      39394                   COMMISSIONER OLIPHANT: Just so I  
23           have it right, let's say that you had a cache of  
24           vehicles in Rwanda. Are you suggesting that the  
25           Government of Rwanda could be using these vehicles

1           until a civil war broke out?

2       39395                   THE RIGHT HON. BRIAN MULRONEY:  No, I  
3           am simply suggesting that it would be much preferable  
4           to have the trouble spot countries having relatively  
5           immediate access to these, rather than try to round  
6           them up from around the world and fly them in.

7       39396                   COMMISSIONER OLIPHANT:  I understand.

8       39397                   THE RIGHT HON. BRIAN MULRONEY:  
9           That's what I was trying to say.

10      39398                   COMMISSIONER OLIPHANT:  A lot of the  
11           peacekeeping efforts of the United Nations have  
12           involved, for want of a better term, civil wars or  
13           conflicts between ethnic groups within a country.  Did  
14           you really think it was a wise idea to let the  
15           government in one of those spots have access to  
16           equipment?

17      39399                   THE RIGHT HON. BRIAN MULRONEY:  No.  
18           I'm sorry, sir; always under control of the United  
19           Nations.  For use by the United Nations in that region.

20      39400                   COMMISSIONER OLIPHANT:  I see.  Okay.

21      39401                   THE RIGHT HON. BRIAN MULRONEY:  
22           Always under the control --

23      39402                   And I was, I think, influenced by our  
24           last experience at that time, in the early nineties --

25      39403                   COMMISSIONER OLIPHANT:  The Balkans?

1       39404                   THE RIGHT HON. BRIAN MULRONEY:  -- in  
2           the Balkans.

3       39405                   COMMISSIONER OLIPHANT:  All right.

4       39406                   We will break for lunch until two  
5           o'clock.

6       39407                   THE RIGHT HON. BRIAN MULRONEY:  Thank  
7           you.

8           --- Upon recessing at 12:23 p.m. / Suspension à 12 h 23  
9           --- Upon resuming at 2:05 p.m. / Reprise à 14 h 05

10      39408                   COMMISSIONER OLIPHANT:  Be seated,  
11           please.

12      39409                   Mr. Wolson...?

13      39410                   MR. WOLSON:  General Hospital update  
14           on Mr. Schreiber is that Mr. Auger has talked to him  
15           today.  I think he was going to be assessed by his  
16           doctor today, and we will see how the recovery period  
17           goes.  But that is the latest.

18      39411                   COMMISSIONER OLIPHANT:  All right.  
19           Thank you.

20      39412                   THE RIGHT HON. BRIAN MULRONEY:  Mr.  
21           Commissioner, with your permission, sir --

22      39413                   COMMISSIONER OLIPHANT:  Yes...?

23      39414                   THE RIGHT HON. BRIAN MULRONEY:  May I  
24           just complete the comment that we were chatting about  
25           in regard to the question that you raised about the UN?

1 39415 COMMISSIONER OLIPHANT: Certainly.

2 39416 THE RIGHT HON. BRIAN MULRONEY: And  
3 Rwanda as you raised it.

4 39417 The problem there was of course that  
5 when General Dallaire and others called the United  
6 Nations, there was no response and 800,000 to a million  
7 people were massacred because of the lack of that, to  
8 the point where President Clinton felt obliged to go  
9 back to Central Africa to apologize on behalf of the  
10 United States and the United Nations for lack of action  
11 while he was there.

12 39418 And, you know, people have written  
13 about it, including General Dallaire, for example, on  
14 the difference it could have made if there had been,  
15 say, 100 or 200 or 250 vehicles pre-positioned  
16 elsewhere, say in Nigeria, which could have come to the  
17 rescue immediately.

18 39419 They couldn't even get an answer from  
19 peacekeeping headquarters in the United Nations, and I  
20 think General Dallaire has spoken eloquently about  
21 that.

22 39420 The other matter that you had raised,  
23 Mr. Commissioner, was in terms of the standardization.

24 39421 Before lunch I was going to mention  
25 to you that Canada had a special problem in that regard

1 in 1991, and it dealt with what was referred to then as  
2 the inter-operability of communications.

3 39422 We deployed our squadron of CF-18s to  
4 the Gulf area and when we got them there, because of  
5 the lack of standardization, we were unable to  
6 communicate with the Americans who had the same  
7 aircraft but a much more sophisticated system of  
8 communications, as a result of which Canada, I was  
9 advised as Prime Minister by the Defence Department,  
10 that Canada had to be assigned entirely different  
11 responsibilities, namely in the area of surveillance as  
12 opposed to the bombing runs and others that -- although  
13 we did participate very actively and bravely in that  
14 war, our men.

15 39423 But that was the question of  
16 standardization as it applied in practice to a major  
17 problem when I was Prime Minister.

18 39424 So obviously that, too, impacted on  
19 my view of these things and the importance of them.

20 39425 COMMISSIONER OLIPHANT: All right.  
21 Thank you very much.

22 39426 MR. WOLSON: Mr. Mulroney, just for  
23 the record -- and I'm sure you will agree -- when you  
24 say you were chatting before or you said that to me,  
25 the chatting refers to your evidence in the inquiry?

1           39427                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
2                   I'm sorry.

3           39428                   MR. WOLSON:  Yes.

4           39429                   THE RIGHT HON. BRIAN MULRONEY:  Yes.  
5                   What I meant was just before the lunch break --

6           39430                   MR. WOLSON:  Yes.

7           39431                   THE RIGHT HON. BRIAN MULRONEY:  --  
8                   the Commissioner had raised some important questions --

9           39432                   MR. WOLSON:  Yes.

10          39433                   THE RIGHT HON. BRIAN MULRONEY:  --  
11                   and the dialogue on that was not completed.

12          39434                   MR. WOLSON:  Yes.  There is no  
13                   chatting going on behind the curtains is the point.

14          39435                   THE RIGHT HON. BRIAN MULRONEY:  No.  
15                   No, not at all.

16          39436                   MR. WOLSON:  All right.  I had you  
17                   back in 1993, a winter day, December 17th or 18th --

18          39437                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

19          39438                   MR. WOLSON:  -- at the Queen  
20                   Elizabeth Hotel, either at the Gold Key floor or at a  
21                   coffee shop at the Queen Elizabeth Hotel.

22          39439                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

23          39440                   MR. WOLSON:  And you were telling the  
24                   Commissioner that you were talking to Mr. Schreiber  
25                   about China --

1       39441                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

2       39442                   MR. WOLSON:  -- and about your recent

3           trip to China.

4       39443                   THE RIGHT HON. BRIAN MULRONEY:

5           That's right.

6       39444                   MR. WOLSON:  And that you told

7           Mr. Schreiber about your plan, your thought at least,

8           that perhaps this could be done through the UN.

9       39445                   THE RIGHT HON. BRIAN MULRONEY:

10          Right.

11       39446                   MR. WOLSON:  So in effect, by that

12          time, the 17th or 18th of December '93, you had a

13          mandate in effect.  The mandate was to assist

14          internationally you say --

15       39447                   THE RIGHT HON. BRIAN MULRONEY:  M'hm.

16       39448                   MR. WOLSON:  -- on the Thyssen

17          Project, and it would be through the UN.  And that's

18          what you discussed -- or at least that's what you told

19          Mr. Schreiber.

20       39449                   THE RIGHT HON. BRIAN MULRONEY:  Yes,

21          an embryonic mandate that I was constructing myself --

22       39450                   MR. WOLSON:  Yes.

23       39451                   THE RIGHT HON. BRIAN MULRONEY:  --

24          because I was given no direction or specific

25          instructions.

1 39452 MR. WOLSON: All right. And you  
2 said, when Mr. Pratte was asking you questions, that he  
3 had fallen in love with Liberals --

4 39453 THE RIGHT HON. BRIAN MULRONEY: M'hm.

5 39454 MR. WOLSON: -- your answer is yes?

6 39455 THE RIGHT HON. BRIAN MULRONEY: Yes,  
7 as many people had at that time.

8 39456 MR. WOLSON: All right. But he was  
9 certainly one of them?

10 39457 THE RIGHT HON. BRIAN MULRONEY: He  
11 really was.

12 39458 MR. WOLSON: All right. And the  
13 meeting was how long?

14 39459 THE RIGHT HON. BRIAN MULRONEY: I  
15 don't know, 35, perhaps 40 minutes.

16 39460 MR. WOLSON: All right. And you  
17 think it was a Saturday?

18 39461 THE RIGHT HON. BRIAN MULRONEY: I  
19 think it was a Saturday.

20 39462 MR. WOLSON: You had come from your  
21 home to meet with him at the hotel?

22 39463 THE RIGHT HON. BRIAN MULRONEY: I had  
23 come from my home. The reason I think it was a  
24 Saturday, but I'm not sure --

25 39464 MR. WOLSON: Yes...?



1           39465                   THE RIGHT HON. BRIAN MULRONEY:  --  
2                   was the informality of the dress of people who came  
3                   into the coffee shop and came over to see me and shake  
4                   hands and occasionally ask for an autograph or  
5                   something like that.

6           39466                   MR. WOLSON:  All right.

7           39467                   THE RIGHT HON. BRIAN MULRONEY:  It  
8                   looked like casual dress for the weekend, I think.

9           39468                   MR. WOLSON:  So you had actually come  
10                  downtown --

11          39469                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

12          39470                   MR. WOLSON:  -- to see him?

13          39471                   THE RIGHT HON. BRIAN MULRONEY:  Yes.  
14                  I think Mr. Doucet had communicated with me and asked  
15                  me if I could come down and meet him for a cup of  
16                  coffee, yes.

17          39472                   MR. WOLSON:  So the first time you  
18                  went to his hotel at Mirabel.  The second meeting you  
19                  went to the Queen Elizabeth to meet him on a Saturday,  
20                  you believe?

21          39473                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

22          39474                   MR. WOLSON:  Did you ask him for  
23                  money the second time?

24          39475                   THE RIGHT HON. BRIAN MULRONEY:  I  
25                  never asked him for a nickel in my life.

1 39476 MR. WOLSON: All right.

2 39477 You didn't expect money to be given?

3 39478 THE RIGHT HON. BRIAN MULRONEY: I did

4 not. In fact, I was very surprised because it had only

5 been some months before when -- but he did offer some

6 explanation when he said that inasmuch as his trips to

7 North America were extremely irregular, he wanted to

8 take advantage of that visit to Montréal on his way

9 back to Germany to meet with me.

10 39479 MR. WOLSON: Did you -- you didn't

11 expect money to be given, but he gave you an envelope.

12 39480 THE RIGHT HON. BRIAN MULRONEY: Yes,

13 he did.

14 39481 MR. WOLSON: You knew -- and this was

15 another legal sized envelope?

16 39482 THE RIGHT HON. BRIAN MULRONEY: Yes.

17 Identical, yes.

18 39483 MR. WOLSON: You knew that there was

19 cash inside?

20 39484 THE RIGHT HON. BRIAN MULRONEY: Yes,

21 I did.

22 39485 MR. WOLSON: He didn't tell you again

23 that he is an international businessman --

24 39486 THE RIGHT HON. BRIAN MULRONEY: No,

25 he didn't -- no, he didn't have to. He had already

1           made that point.

2       39487                   MR. WOLSON: All right. So he put

3           the money on the table --

4       39488                   THE RIGHT HON. BRIAN MULRONEY: M'hm.

5       39489                   MR. WOLSON: Your answer is yes.

6       39490                   THE RIGHT HON. BRIAN MULRONEY: In

7           front of everybody in the coffee shop.

8       39491                   MR. WOLSON: Of course no one knew

9           what was in there --

10      39492                   THE RIGHT HON. BRIAN MULRONEY: No,

11           of course not.

12      39493                   MR. WOLSON: -- but you.

13      39494                   THE RIGHT HON. BRIAN MULRONEY: Of

14           course not.

15      39495                   MR. WOLSON: You knew what was in

16           there because he had --

17      39496                   THE RIGHT HON. BRIAN MULRONEY:

18           That's exactly right.

19      39497                   MR. WOLSON: -- given you a similar

20           envelope. Yes.

21      39498                   THE RIGHT HON. BRIAN MULRONEY:

22           Exactly right.

23      39499                   MR. WOLSON: So he puts the money

24           down on the table. You picked it up and put it in your

25           jacket or something?

1           39500                   THE RIGHT HON. BRIAN MULRONEY:  No.  
2           I picked it up when it was time to leave, and I walked  
3           out with it.  I didn't put it in my jacket.  I had no  
4           briefcase or anything like that.

5           39501                   MR. WOLSON:  All right.

6           39502                   THE RIGHT HON. BRIAN MULRONEY:  I  
7           just walked out with it in my hand.

8           39503                   MR. WOLSON:  Did you say to him,  
9           having hesitated the first time in Montréal at the  
10          Mirabel -- or I should say at Mirabel.  Did you say to  
11          him -- or did you hesitate a second time?  Let me ask  
12          you that.

13          39504                   THE RIGHT HON. BRIAN MULRONEY:  No.  
14          I perhaps ought to have, but I didn't.  I just thought  
15          this was part then of, I will admit an unusual  
16          arrangement, but I didn't raise any objections at that  
17          time.

18          39505                   MR. WOLSON:  Nor did you say to him,  
19          Schreiber, you gave me cash the first time, let's do  
20          this now by cheque?

21          39506                   THE RIGHT HON. BRIAN MULRONEY:  Nor  
22          did I say that, to my regret.

23          39507                   MR. WOLSON:  I understand that.

24          39508                   Why didn't you put the money in the  
25          bank?

1       39509                   THE RIGHT HON. BRIAN MULRONEY:  
2           Why -- at that moment?

3       39510                   MR. WOLSON: Well, if it were a  
4           Saturday --

5       39511                   THE RIGHT HON. BRIAN MULRONEY: Yeah.

6       39512                   MR. WOLSON: -- it would be tough to  
7           do.

8       39513                   THE RIGHT HON. BRIAN MULRONEY: Yes,  
9           exactly.

10      39514                   MR. WOLSON: But why didn't you put  
11           the money in the bank on a Monday or a Tuesday or  
12           whenever?

13      39515                   THE RIGHT HON. BRIAN MULRONEY: Well,  
14           I brought it home on that Saturday and I put it in the  
15           safe at home and I left it there.

16      39516                   MR. WOLSON: Well, let me ask you  
17           this. Had you forgotten about it?

18      39517                   THE RIGHT HON. BRIAN MULRONEY: No.  
19           I just left it there.

20      39518                   MR. WOLSON: Okay. Had you used --

21      39519                   THE RIGHT HON. BRIAN MULRONEY: It  
22           was a retainer, an advance. I was not going to -- I  
23           had no need for it at that time. I didn't construe it  
24           as my money until I took it into income and therefore I  
25           just -- it was left there.

1       39520                   MR. WOLSON:  Alongside the other  
2               \$75,000.

3       39521                   THE RIGHT HON. BRIAN MULRONEY:  That  
4               is right.

5       39522                   MR. WOLSON:  You had not used the  
6               first \$75,000 at all?

7       39523                   THE RIGHT HON. BRIAN MULRONEY:  Just  
8               inasmuch as with the exception of a payment for  
9               expenses, a smaller amount of payment for expenses, to  
10              China, although I'm not sure that I had completed my  
11              work at that time on it.

12      39524                   But I did take expenses for the China  
13              trip, but no income whatsoever.

14      39525                   MR. WOLSON:  All right.  So at some  
15              point of the first \$75,000 from Mirabel, you had used  
16              some of that for expenses?

17      39526                   THE RIGHT HON. BRIAN MULRONEY:  
18              That's right.

19      39527                   MR. WOLSON:  Do you know how much?

20      39528                   THE RIGHT HON. BRIAN MULRONEY:  I  
21              think it was -- I had the notations -- I had paid for  
22              everything with credit cards, and I had the notations  
23              that I made on my travelling documents, which I used to  
24              compute the expenses in general terms.  But I think it  
25              was roughly \$10,000 or \$12,000.

1 39529 MR. WOLSON: For the China trip?

2 39530 THE RIGHT HON. BRIAN MULRONEY: I

3 believe so. Well, yes, the China --

4 39531 MR. WOLSON: Where are those

5 notations and expenses?

6 39532 THE RIGHT HON. BRIAN MULRONEY: Well,

7 I think that when I took it into income and the money

8 became mine, that those were disposed of in the normal

9 course of business.

10 39533 MR. WOLSON: Okay. You don't have

11 them any more?

12 39534 THE RIGHT HON. BRIAN MULRONEY: No, I

13 don't. I had them, but I don't have them any more. I

14 guess it was 16 years ago or so.

15 39535 MR. WOLSON: Okay. You had the UN

16 documents that you brought to the inquiry.

17 39536 THE RIGHT HON. BRIAN MULRONEY: Yes.

18 39537 MR. WOLSON: You had the lawsuit that

19 Schreiber said that he was going to institute against

20 the Government of Canada.

21 39538 THE RIGHT HON. BRIAN MULRONEY: Yes.

22 39539 MR. WOLSON: But the expenses you had

23 destroyed when you paid the taxes?

24 39540 THE RIGHT HON. BRIAN MULRONEY: I

25 didn't destroy them. They were disposed of. I have no

1           recollection of destroying anything. Yes.

2       39541                   MR. WOLSON: They were disposed of --

3       39542                   THE RIGHT HON. BRIAN MULRONEY: Yes,

4           in the normal --

5       39543                   MR. WOLSON: -- after you --

6       39544                   THE RIGHT HON. BRIAN MULRONEY: In

7           the normal course of business, yes.

8       39545                   MR. WOLSON: Okay. Now, when you

9           left the hotel you took the money and put it in your

10           safe at home.

11       39546                   THE RIGHT HON. BRIAN MULRONEY:

12           That's right.

13       39547                   MR. WOLSON: There would have been

14           about \$65,000 left from the first \$75,000; right?

15       39548                   THE RIGHT HON. BRIAN MULRONEY:

16           That's right.

17       39549                   MR. WOLSON: How did you, in the

18           first \$10,000 that you had used -- they were ten \$1,000

19           bills; right?

20       39550                   THE RIGHT HON. BRIAN MULRONEY: Yes.

21       39551                   MR. WOLSON: You just transact them

22           at the bank?

23       39552                   THE RIGHT HON. BRIAN MULRONEY: Yes.

24       39553                   MR. WOLSON: Or just offset the

25           expenses on your credit card --



1       39554                   THE RIGHT HON. BRIAN MULRONEY:  
2            That's right.

3       39555                   MR. WOLSON:  -- and took \$10,000 to  
4            offset the expenses that you had paid for.

5       39556                   Is that how you did it?

6       39557                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
7            that's right.

8       39558                   MR. WOLSON:  And you would just then  
9            incorporate that \$10,000 back into your finances?

10      39559                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
11           no income whatsoever.

12      39560                   MR. WOLSON:  But you put --

13      39561                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
14           you're right.

15      39562                   MR. WOLSON:  The ten \$1,000 bills  
16           back into your finances?

17      39563                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
18           ten less to be computed as income.

19      39564                   MR. WOLSON:  That's right.

20      39565                   THE RIGHT HON. BRIAN MULRONEY:  M'hm.

21      39566                   MR. WOLSON:  And why, then, again,  
22           did you not put the money in Cansult, your consulting  
23           company or in a bank to create some kind of ongoing  
24           transparency?

25      39567                   THE RIGHT HON. BRIAN MULRONEY:  I

1           simply wasn't thinking that way at the time. I had  
2           begun the process like that and I maintained it like  
3           that.

4   39568                   MR. WOLSON: Okay. When did you  
5           decide the first time at Mirabel to maintain it as a  
6           cash deal as opposed to using a bank?

7   39569                   THE RIGHT HON. BRIAN MULRONEY: Well,  
8           I didn't make a strategic determination. I brought it  
9           home and put it in the -- put it in the safe, where it  
10          remained when I took off for China and came back about  
11          a month later, and I was into that process at the time.

12   39570                   MR. WOLSON: Actually, what probably  
13          happened is you took the money, the \$75,000, put it in  
14          some kind of box at L'Esterel -- because you were at  
15          your summer cottage; right?

16   39571                   THE RIGHT HON. BRIAN MULRONEY: M'hm.

17   39572                   MR. WOLSON: Then you would have  
18          taken the money and taken it to Montréal and put it in  
19          your home safe.

20   39573                   Is that what you would have done?

21   39574                   THE RIGHT HON. BRIAN MULRONEY: I  
22          think that is what I have already said, sir.

23   39575                   MR. WOLSON: Okay. Taking the money  
24          out from your cottage, did it not occur to you then,  
25          just say to yourself, you know, this is too

1           unconventional. I am going to do something more  
2           conventional.

3       39576                    That never occurred to you?

4       39577                    THE RIGHT HON. BRIAN MULRONEY: It  
5           didn't. As I say to you, with the benefit of  
6           hindsight, no doubt it ought to have, but it didn't.

7       39578                    I was in the process of trying to get  
8           started again and trying to get back into private life,  
9           doing a number of things. I didn't have in any way any  
10          support staff whatsoever. I was trying to do things  
11          myself.

12      39579                    And I will certainly acknowledge that  
13          part of it I didn't do well.

14      39580                    MR. WOLSON: What would having  
15          support staff have to do with depositing the money in a  
16          bank?

17      39581                    THE RIGHT HON. BRIAN MULRONEY: Well,  
18          if he had -- if he had come to me, for example, at the  
19          time I was installed in my legal firm and had an  
20          assistant, secretary, and so on, come to my place of  
21          business, I suspect that had the same thing been  
22          replicated, I would have said look, we are here during  
23          business hours and what have you. Just give me -- can  
24          you give me a cheque to begin this relationship, which  
25          is what I should have said at Mirabel, but which I

1 didn't.

2 39582 MR. WOLSON: So the fact that the  
3 transaction took place either at Mirabel or the Queen  
4 Elizabeth when you didn't have a legal assistant  
5 available caused you to not proceed the way you would  
6 ordinarily have proceeded if this had been in your  
7 office, for instance?

8 39583 THE RIGHT HON. BRIAN MULRONEY: Well,  
9 as you know, it's the -- as I have testified, this is  
10 the only instance that this has ever happened to me.

11 39584 MR. WOLSON: Yes...?

12 39585 THE RIGHT HON. BRIAN MULRONEY: It  
13 was my first experience leaving office and it was, as  
14 it turns out, a particularly unhappy one.

15 39586 MR. WOLSON: But it was happening to  
16 you over and over again.

17 39587 THE RIGHT HON. BRIAN MULRONEY: No.  
18 It happened to me three times.

19 39588 MR. WOLSON: Three times.

20 39589 THE RIGHT HON. BRIAN MULRONEY: This  
21 was not a recurring matter forever. It happened on  
22 three occasions --

23 39590 MR. WOLSON: Over a year.

24 39591 THE RIGHT HON. BRIAN MULRONEY: --  
25 and we will talk about those.

1 39592 MR. WOLSON: Yes.

2 39593 THE RIGHT HON. BRIAN MULRONEY: No.

3 all I'm saying -- there are no excuses or anything.

4 All I'm saying was that had he visited me during

5 business hours in my office in Montréal and the same

6 situation been replicated, I think I would have said

7 what I ought to have said: Make that a cheque and we

8 can do some business.

9 39594 MR. WOLSON: Okay.

10 39595 THE RIGHT HON. BRIAN MULRONEY: But I

11 didn't.

12 39596 MR. WOLSON: All right. Do you have

13 any contact with him from the time that you end the

14 Queen Elizabeth meeting until you see him in New York?

15 39597 And you see him in New York on

16 December 8, 1994, just about a year, give or take a few

17 days.

18 39598 THE RIGHT HON. BRIAN MULRONEY: I

19 believe that during that timeframe the contact remained

20 the same, through Mr. Doucet.

21 39599 MR. WOLSON: Did you have any? Did

22 you speak to him?

23 39600 THE RIGHT HON. BRIAN MULRONEY: With

24 Mr. Doucet?

25 39601 MR. WOLSON: Mr. Schreiber.

1           39602                   THE RIGHT HON. BRIAN MULRONEY:  No, I  
2           don't believe I did.

3           39603                   I may be out on that, but I don't  
4           believe I did.

5           39604                   MR. WOLSON:  Okay.  No telephone  
6           calls -- I'm not asking you this because I have a  
7           telephone call that I am going to run up and show you.

8           39605                   I am asking you whether or not you  
9           recall whether there was any telephone contact, in  
10          person contact, fax contact, any kind of contact over  
11          that year period that you can assist us with today?

12          39606                   THE RIGHT HON. BRIAN MULRONEY:  Well,  
13          he indicated that he had not asked me for any reports,  
14          that he did not ask me either to produce accounts; that  
15          he took this, as I did essentially, that this would be  
16          a watching brief, that he, as he said, liked to call  
17          upon me for a larger issue.

18          39607                   I thought I was working on that.

19          39608                   But I hadn't advanced to the point  
20          where I thought that this could in any way be  
21          considered a done deal or something that might  
22          reasonably be construed as a done deal.

23          39609                   I had seen one member of the P5 at  
24          the time, and I was trying to advance the concept that  
25          I had been discussing with the Chairman about this

1 question. It wasn't until the summer that I visited  
2 Russia, and I think that after that I spoke to  
3 Mr. Doucet about it.

4 39610 But I had no -- I don't think I had a  
5 direct communication with him.

6 39611 MR. WOLSON: All right. So you have  
7 now twice met each time at a hotel, although the second  
8 time in a coffee bar in the hotel.

9 39612 You have twice -- that's true, sir?

10 39613 THE RIGHT HON. BRIAN MULRONEY: Yes,  
11 but may I just make a comment?

12 39614 When you say a hotel, well, yes, but  
13 we are at the hotel not because there was anything I  
14 think sinister about it. It was because I was invited  
15 to the coffee -- a public coffee shop in a hotel in  
16 Montréal because he was, I assume, staying there on his  
17 way back to Europe, as he had invited me to Mirabel not  
18 to come to a hotel, but because he was there on his way  
19 back to Europe. And it was as a matter of mutual  
20 convenience.

21 39615 But the whole question of hotel rooms  
22 sounds a little sinister and there was no such -- I  
23 suppose we can all come to our own conclusions, but  
24 there was no such intention.

25 39616 MR. WOLSON: You see, the problem is

1           some may say -- some Canadians may say it does sound a  
2           little sinister, not just meeting in hotel rooms, but  
3           dealing in cash in \$1,000 bills; for a former Prime  
4           Minister to be meeting a fellow who he has been working  
5           with in terms of the fellow trying to sell him  
6           something over a many year period.

7           39617                           Your comment on that?

8           39618                           THE RIGHT HON. BRIAN MULRONEY:  Yes,  
9           I was the fellow who cancelled his project.

10          39619                           MR. WOLSON:  Yes.

11          39620                           THE RIGHT HON. BRIAN MULRONEY:  And  
12          it cost him, as he has said many times, hundreds of  
13          millions of dollars, I believe.

14          39621                           MR. WOLSON:  Yes.  You keep saying  
15          that you cancelled the program --

16          39622                           THE RIGHT HON. BRIAN MULRONEY:  Yes.

17          39623                           MR. WOLSON:  -- but on the other  
18          hand, it kept coming back.  So while it was cancelled  
19          initially --

20          39624                           THE RIGHT HON. BRIAN MULRONEY:  Yes.

21          39625                           MR. WOLSON:  -- the program came back  
22          on very various fronts.

23          39626                           You agree with that?

24          39627                           THE RIGHT HON. BRIAN MULRONEY:  Did  
25          it succeed?



1 39628 MR. WOLSON: Well --

2 39629 THE RIGHT HON. BRIAN MULRONEY: While

3 I was in office?

4 39630 MR. WOLSON: It didn't succeed --

5 39631 THE RIGHT HON. BRIAN MULRONEY: No,

6 it did not, because I killed the project. We are

7 living in a democracy.

8 39632 MR. WOLSON: Yes.

9 39633 THE RIGHT HON. BRIAN MULRONEY: I

10 can't stop a Canadian citizen or anyone else who wants

11 to come back and reconfigure a project or try and move

12 it to a different part of the country in the hope that

13 it might fly in those circumstances.

14 39634 MR. WOLSON: Did you think the optics

15 of this man working with you in government, through

16 your friends, trying to sell the Canadian government a

17 multimillion dollar project, and then you, when you are

18 days out of government doing business with him on a

19 similar project, but on a different scale in terms of

20 you say not in Canada but on an international basis --

21 did you think the optics of that were of concern to

22 you?

23 39635 THE RIGHT HON. BRIAN MULRONEY: Well,

24 you just made, sir, the vital distinction. My

25 involvement after I left office and after I was no

1 longer Prime Minister was for a specific international  
2 mandate that I thought would be appropriate.

3 39636 Let me say this. He comes to see me  
4 48 hours before I leave office, just a courtesy visit  
5 to say goodbye. It would be quite a stretch to  
6 consider that I, as still Prime Minister of Canada,  
7 having brought in the Code of Conduct in 1985 myself,  
8 would violate that Code of Conduct for 48 hours before  
9 I left office.

10 39637 I think it is probably even more  
11 preposterous to believe that he hired me to do  
12 something as a private consultant which I could not or  
13 would not do as Prime Minister of Canada.

14 39638 So there was no -- I didn't place the  
15 negative or perhaps spurious construction on that that  
16 perhaps other people legitimately might. But because  
17 that was pretty clear in my mind, that I had no  
18 apprehensions about that part of it.

19 39639 The suggestion in your question,  
20 however, is different.

21 39640 And I also regret the fact that, in  
22 retrospect, by dealing with Mr. Schreiber in the way  
23 that I did, even with the best of intentions, that that  
24 conduct, the manner in which it was done, could give  
25 rise to legitimate suspicions by honest Canadians,

1 thoughtful Canadians, that something inappropriate  
2 might have taken place.

3 39641 MR. WOLSON: Exactly then what  
4 conduct are you talking about when you make that  
5 statement?

6 39642 THE RIGHT HON. BRIAN MULRONEY: No,  
7 I'm talking about the circumstances --

8 39643 MR. WOLSON: Yes...?

9 39644 THE RIGHT HON. BRIAN MULRONEY: -- of  
10 the transaction.

11 39645 MR. WOLSON: The circumstances  
12 being...?

13 39646 THE RIGHT HON. BRIAN MULRONEY: The  
14 fact that it was not sufficiently documented.

15 39647 MR. WOLSON: I see. Now, let me ask  
16 you this. You were going to -- and you said that you  
17 had created the mandate in your own mind --

18 39648 THE RIGHT HON. BRIAN MULRONEY: Yes.

19 39649 MR. WOLSON: -- and you were going to  
20 try to help this project along by selling it, if you  
21 could, to the UN through its Security Council; right?

22 39650 THE RIGHT HON. BRIAN MULRONEY: Yes.

23 39651 MR. WOLSON: If you sold the idea,  
24 where were the vehicles going to come from?

25 39652 THE RIGHT HON. BRIAN MULRONEY: I

1           have indicated, I think in other circumstances, that --

2       39653                   MR. WOLSON:   What other  
3           circumstances?

4       39654                   THE RIGHT HON. BRIAN MULRONEY:   I  
5           think when I testified.

6       39655                   MR. WOLSON:   Here?

7       39656                   THE RIGHT HON. BRIAN MULRONEY:  
8           Either here or before the Committee.

9       39657                   MR. WOLSON:   The Ethics Committee.

10      39658                   THE RIGHT HON. BRIAN MULRONEY:   I'm  
11           not certain.

12      39659                   That look, if I had gone to, say,  
13           there or Russia or France and, even though it was not  
14           my intention, I was not there on a sales mission.   I  
15           was trying to sell the concept --

16      39660                   MR. WOLSON:   Yes.

17      39661                   THE RIGHT HON. BRIAN MULRONEY:   -- to  
18           find out how responsive they might or might not be to  
19           the concept.

20      39662                   If someone had said, a decision-maker  
21           in those countries, look, I'm happy you came along, it  
22           happens that we need 250 or 500 vehicles right now.  
23           Could you do anything to help us?   Although that had  
24           not been my intention, it certainly would have been  
25           part of my watching brief and I would have called

1 Mr. Doucet to get a hold of Mr. Schreiber immediately  
2 to say hey, the Chinese would be interested or the  
3 French or whomever.

4 39663 MR. WOLSON: Where were the vehicles  
5 supposed to come from?

6 39664 THE RIGHT HON. BRIAN MULRONEY: Well,  
7 they would come from Thyssen.

8 39665 MR. WOLSON: Where, in Germany?

9 39666 THE RIGHT HON. BRIAN MULRONEY: I  
10 suppose so, but I didn't know, because I didn't  
11 anticipate that.

12 39667 MR. WOLSON: Well, they couldn't come  
13 from Thyssen in Canada because there was no plant.

14 39668 THE RIGHT HON. BRIAN MULRONEY: Of  
15 course not.

16 39669 MR. WOLSON: So they had to come from  
17 somewhere --

18 39670 THE RIGHT HON. BRIAN MULRONEY: I  
19 would assume --

20 39671 MR. WOLSON: -- and that would have  
21 been Germany I guess; right?

22 39672 THE RIGHT HON. BRIAN MULRONEY: Yes.

23 39673 But I would have placed the call  
24 immediately. I figured I have a watching brief from  
25 Thyssen --

1 39674 MR. WOLSON: I see.

2 39675 THE RIGHT HON. BRIAN MULRONEY: --  
3 which means that if I hear something or can do  
4 something to advance their interests, I am going to do  
5 it.

6 39676 So if the President of France says  
7 that is a hell of a good idea but, you know, we have an  
8 immediate need for 250 because we are going to deploy  
9 them to Africa or to Yugoslavia, could you do something  
10 about it? I would call him and say what can we do?

11 39677 MR. WOLSON: It's one thing from a  
12 concept point of view for Canada to sell to the UN or  
13 to countries -- you didn't have an issue with Germany  
14 selling to -- you never thought of that, Germany  
15 selling to France or to Russia or to China?

16 39678 Was that something that crossed your  
17 mind?

18 39679 THE RIGHT HON. BRIAN MULRONEY:  
19 Germany has its own rules and regulations and Canada  
20 has its.

21 39680 MR. WOLSON: Right. Did you know  
22 whether Germany could sell to these countries?

23 39681 THE RIGHT HON. BRIAN MULRONEY: I  
24 knew that Germany could certainly provide these to the  
25 original concept that I was working on of the United

1 Nations, that's for sure.

2 39682 But I did not know what interdictions  
3 might be placed upon them in the event of a bilateral  
4 trade with somebody else, and I wasn't interested in  
5 that because it had not been really the object of the  
6 exercise in me going around to see these leaders.

7 39683 MR. WOLSON: All right.

8 39684 THE RIGHT HON. BRIAN MULRONEY: I was  
9 interested, as I said, sir -- I was interested in  
10 trying to develop this concept that I discussed with  
11 the Chairman and you with the P5 and ultimately the  
12 United Nations.

13 39685 MR. WOLSON: All right. Now, New  
14 York.

15 39686 THE RIGHT HON. BRIAN MULRONEY: Yes.

16 39687 MR. WOLSON: The Pierre Hotel.

17 39688 THE RIGHT HON. BRIAN MULRONEY: M'hm.

18 39689 MR. WOLSON: You go down for the day;  
19 right?

20 39690 THE RIGHT HON. BRIAN MULRONEY: Yes.

21 39691 MR. WOLSON: You go in the morning,  
22 come back at 5 o'clock or something like that.

23 39692 THE RIGHT HON. BRIAN MULRONEY: At  
24 night, yes.

25 39693 MR. WOLSON: We have been told by

1 Mr. Schreiber and by Mr. Doucet that Schreiber had  
2 asked Doucet whether he could ask you whether you would  
3 be prepared to do a favour, and the favour would be to  
4 surprise Elmer and his wife because Schreiber was  
5 throwing a brunch for them.

6 39694 Is that how you heard it?

7 39695 THE RIGHT HON. BRIAN MULRONEY: That  
8 is how it was put to me.

9 39696 MR. WOLSON: Yes. And Mr. Doucet had  
10 said that it would be quite a plum for Schreiber if he  
11 could make that happen.

12 39697 You understood that?

13 39698 THE RIGHT HON. BRIAN MULRONEY: I  
14 didn't see anything particularly plummy in that  
15 hypothesis, but --

16 39699 MR. WOLSON: Bringing a former Prime  
17 Minister, a friend, to New York to surprise the  
18 MacKays --

19 39700 THE RIGHT HON. BRIAN MULRONEY: Yes.

20 39701 MR. WOLSON: -- at least Mr. Doucet  
21 said that it would be quite a nice thing for Karlheinz  
22 to be able to deliver.

23 39702 THE RIGHT HON. BRIAN MULRONEY: Well,  
24 I'm sure that -- it certainly was pleasant for me to  
25 see Elmer and Sharon again so soon after their



1 marriage. But sure, I guess that that would be --  
2 would always be nice to get together, yes.

3 39703 And I thought it was a very courteous  
4 and delicate gesture that Mr. Schreiber talked to Fred  
5 about.

6 39704 MR. WOLSON: And you go down to New  
7 York. You fly down on Delta, you and Mr. Doucet, and  
8 you attend the hotel.

9 39705 What time, do you recall?

10 39706 THE RIGHT HON. BRIAN MULRONEY: I  
11 think 11 o'clock.

12 39707 MR. WOLSON: All right. And you  
13 proceed to at some point Mr. Schreiber's suite?

14 39708 THE RIGHT HON. BRIAN MULRONEY: Yes.

15 39709 MR. WOLSON: And at the suite you  
16 have a business session?

17 39710 THE RIGHT HON. BRIAN MULRONEY:  
18 That's right.

19 39711 MR. WOLSON: For about an hour?

20 39712 THE RIGHT HON. BRIAN MULRONEY: About  
21 an hour.

22 39713 MR. WOLSON: And at that business  
23 session you tell him about your trips you had made  
24 around the world?

25 39714 THE RIGHT HON. BRIAN MULRONEY: He

1 begins by telling us --

2 39715 MR. WOLSON: Yes...?

3 39716 THE RIGHT HON. BRIAN MULRONEY: --

4 about why he is there. And he was there for a  
5 German-American friendship meeting that had taken  
6 place, a major event in the life of that organization,  
7 of which he was a member; that had taken place I  
8 believe the night before at the Metropolitan Club.

9 39717 That's what his talk was about, and  
10 how wonderful it was and the people who were there and  
11 how good this was to see old friends.

12 39718 MR. WOLSON: Why not meet him in  
13 Canada?

14 39719 THE RIGHT HON. BRIAN MULRONEY:  
15 Pardon?

16 39720 MR. WOLSON: Why not meet  
17 Mr. Schreiber in Canada instead of flying down to New  
18 York?

19 39721 THE RIGHT HON. BRIAN MULRONEY: I  
20 wasn't invited to meet him in Canada. I don't even  
21 think he went to Canada on that trip. He happened to  
22 be going to New York for this major event in which he  
23 was involved and because he was there -- I can only  
24 conclude that this was why he decided to have this  
25 party for Elmer, who was in Nova Scotia, and he invited

1           him to New York.

2       39722                   And he invited Fred and I to go down  
3           and see him in New York. I suppose that was the  
4           courtesy that he arranged.

5       39723                   MR. WOLSON: Now, at the Queen  
6           Elizabeth meeting -- at Mirabel he told you this is the  
7           first payment of a retainer.

8       39724                   THE RIGHT HON. BRIAN MULRONEY: That  
9           is right.

10      39725                   MR. WOLSON: At the Queen Elizabeth  
11           how did he describe the payment of the monies to you  
12           there?

13      39726                   THE RIGHT HON. BRIAN MULRONEY: He  
14           just said this is the payment for your advance  
15           retainer.

16      39727                   MR. WOLSON: How many payments were  
17           there to be?

18      39728                   THE RIGHT HON. BRIAN MULRONEY: He  
19           didn't indicate, but I certainly concluded that this  
20           was going to last quite a long period of time, given  
21           the trips that I was going to take, because it had come  
22           so soon after the first payment.

23      39729                   MR. WOLSON: All right. So you  
24           thought it was an open-ended, unlimited retainer and  
25           you would be paid on an intermittent basis and it would

1 be a long-term relationship?

2 39730 THE RIGHT HON. BRIAN MULRONEY:

3 That's right. When he came to North America, it was  
4 very clearly stated that he would like to get together  
5 and talk about the progress, talk about opportunities  
6 and that was it.

7 39731 MR. WOLSON: You must have

8 appreciated that you hadn't seen him for a whole year.

9 You must have appreciated that there would be another  
10 retainer payment made or at least anticipated that now?

11 39732 THE RIGHT HON. BRIAN MULRONEY: No, I  
12 did not.

13 39733 MR. WOLSON: You didn't?

14 39734 THE RIGHT HON. BRIAN MULRONEY: No.

15 39735 MR. WOLSON: So you had no suspicion  
16 at all that you were going to meet Mr. Schreiber and he  
17 was going to pay you another retainer fee?

18 39736 THE RIGHT HON. BRIAN MULRONEY: I had  
19 no suspicion at all.

20 39737 MR. WOLSON: All right.

21 39738 Other than meeting Mr. and Mrs.

22 MacKay, what then was the purpose of going to New York?

23 39739 THE RIGHT HON. BRIAN MULRONEY: Well,  
24 because we had been invited there to meet with him. A  
25 number of days before, Mr. Doucet and Greg Alford had

1 sent me the new Canadian government's White Paper on  
2 National Defence which had some relevant portions in  
3 there, speaking of, as I remember, some new ideas for  
4 defence procurement. And this was relevant of course  
5 to what he was continuing to try and do with the new  
6 government with Mr. Lalonde and with Andre Ouellet.

7 39740 So I went through that, brought it  
8 down with me, including a copy of the White Paper. And  
9 we got down and I think we began the conversation,  
10 after he told us about his meetings the night before,  
11 we began the conversation by talking about the White  
12 Paper.

13 39741 I don't believe -- he was aware of  
14 it, but I don't believe he had a copy and I believe  
15 that I gave him the copy that we had with us. We  
16 talked about that, after which I gave him a fairly  
17 detailed report on what had taken place in China and by  
18 that time, I had come back I believe from Russia.

19 39742 MR. WOLSON: Yes.

20 39743 THE RIGHT HON. BRIAN MULRONEY: So I  
21 filled him in on that.

22 39744 We talked back and forth. I talked  
23 about the plan to take it to the P5 as this thing  
24 developed, if I could get it there through the  
25 Secretary General, and he indicated, I think words to

1 the effect of, this is good work, good luck, and let  
2 Fred know -- he will communicate with me -- how it is  
3 going.

4 39745 MR. WOLSON: All right. Then he gave  
5 you another package.

6 39746 THE RIGHT HON. BRIAN MULRONEY: Yes,  
7 in front of Mr. Doucet.

8 39747 MR. WOLSON: Did he say anything  
9 about what was in the package?

10 39748 THE RIGHT HON. BRIAN MULRONEY: No,  
11 he did not. He simply said this is a payment on your  
12 retainer and/or advance.

13 39749 MR. WOLSON: Did you know what was in  
14 the package?

15 39750 THE RIGHT HON. BRIAN MULRONEY: No, I  
16 did not, but I had a clue as to obviously, as he had  
17 given me two prior thereto.

18 39751 MR. WOLSON: You weren't expecting a  
19 cheque this time?

20 39752 THE RIGHT HON. BRIAN MULRONEY: I was  
21 expecting nothing.

22 39753 MR. WOLSON: No, but when the  
23 envelope appeared, you weren't expecting in it there  
24 would be a cheque?

25 39754 THE RIGHT HON. BRIAN MULRONEY: I did

1 not.

2 39755 MR. WOLSON: You expected it to be  
3 more \$1,000 bills?

4 39756 THE RIGHT HON. BRIAN MULRONEY: I  
5 didn't know what was in there, but I suspected that it  
6 was not a cheque.

7 39757 MR. WOLSON: Yes.

8 39758 Did you discuss that with Mr. Doucet?

9 39759 THE RIGHT HON. BRIAN MULRONEY: Well,  
10 he was sitting there.

11 39760 MR. WOLSON: Well, did you discuss  
12 with Mr. Doucet that, hey, Fred, he has just given me  
13 another envelope and it's loaded with thousand dollar  
14 bills?

15 39761 THE RIGHT HON. BRIAN MULRONEY: No, I  
16 didn't know. I didn't open the envelope.

17 39762 MR. WOLSON: Did you discuss that it  
18 was cash --

19 39763 THE RIGHT HON. BRIAN MULRONEY: No.

20 39764 MR. WOLSON: -- because you knew  
21 that.

22 39765 THE RIGHT HON. BRIAN MULRONEY: No.  
23 I was being compensated for my services.

24 39766 MR. WOLSON: Absolutely, you say  
25 that.

1           39767                   THE RIGHT HON. BRIAN MULRONEY:  And  
2           so I took the envelope, and on that trip I did have a  
3           briefcase with me because I was travelling to New York  
4           for the day and so I kept a shirt and other things,  
5           apart from my papers, in the briefcase.  And I secured  
6           it in there and we went down to lunch with  
7           Mr. Schreiber.

8           39768                   MR. WOLSON:  Yes.  When you say Fred  
9           was there, he was there, but he has told this inquiry  
10          that he had no idea that there was cash in that  
11          envelope.

12          39769                   THE RIGHT HON. BRIAN MULRONEY:  Nor  
13          did I, but I suspected obviously, given my experience,  
14          that it was.

15          39770                   MR. WOLSON:  All right.

16          39771                   THE RIGHT HON. BRIAN MULRONEY:  Fred  
17          never asked me beyond that.  He knew that of course I  
18          would be compensated for my work.

19          39772                   MR. WOLSON:  Did you discuss with him  
20          on the airplane ride home?

21          39773                   THE RIGHT HON. BRIAN MULRONEY:  No, I  
22          did not.

23          39774                   MR. WOLSON:  What was it, about an  
24          hour 20 or so?

25          39775                   THE RIGHT HON. BRIAN MULRONEY:  No.



1           It was a private matter. It was my private business.  
2           He knew I had a relationship with him. He didn't ask  
3           me anything about it and I didn't volunteer anything.

4   39776                   MR. WOLSON: You didn't say to him on  
5           the plane ride -- is it about an hour 20 from Montréal?

6   39777                   THE RIGHT HON. BRIAN MULRONEY: About  
7           an hour.

8   39778                   MR. WOLSON: An hour. You didn't say  
9           to him, Fred, you know, how did this man pay you?

10 39779                   THE RIGHT HON. BRIAN MULRONEY: No, I  
11          did not.

12 39780                   MR. WOLSON: No.

13 39781                   THE RIGHT HON. BRIAN MULRONEY: I  
14          don't ask people about their private lives and they  
15          don't ask me.

16 39782                   MR. WOLSON: Now, this is now  
17          starting on the 27th of August of '93 --

18 39783                   THE RIGHT HON. BRIAN MULRONEY: M'hm.

19 39784                   MR. WOLSON: -- going to December the  
20          8th of '94, about a 15-month period approximately --  
21          16-month period.

22 39785                   THE RIGHT HON. BRIAN MULRONEY: I  
23          guess so, yes.

24 39786                   MR. WOLSON: At any time during that  
25          16-month period did it resonate with you that you

1           should have put the money in a bank and created a paper  
2           trail?

3           39787                   THE RIGHT HON. BRIAN MULRONEY:  It  
4           didn't resonate to the point where I did it, obviously.  
5           And as I have indicated to you, if I had to do it all  
6           over again, I wouldn't hesitate.

7           39788                   MR. WOLSON:  Did you hesitate when he  
8           gave you the last \$75,000?

9           39789                   THE RIGHT HON. BRIAN MULRONEY:  No, I  
10          didn't.

11          39790                   MR. WOLSON:  Did you think, now  
12          having been through this process three times --

13          39791                   THE RIGHT HON. BRIAN MULRONEY:  M'hm.

14          39792                   MR. WOLSON:  -- and you have  
15          impeccable judgement.  You can't be a Prime Minister of  
16          a country of Canada without impeccable judgement.

17          39793                   THE RIGHT HON. BRIAN MULRONEY:  I  
18          wouldn't put too much money on that.

19          39794                   MR. WOLSON:  You wouldn't?

20          --- Laughter / Rires

21          39795                   MR. WOLSON:  But you would put money  
22          on your judgement?

23          39796                   THE RIGHT HON. BRIAN MULRONEY:  Uh --

24          39797                   MR. WOLSON:  That's another story.

25          You will have to --

1       39798                   THE RIGHT HON. BRIAN MULRONEY:  
2           Obviously with what I'm going through, I wouldn't say  
3           that my judgement is flawless. Let me put it that way.  
4       39799                   MR. WOLSON: All right.  
5       39800                   THE RIGHT HON. BRIAN MULRONEY: Let  
6           me put it favourably like that.  
7       39801                   MR. WOLSON: Okay.  
8       39802                   THE RIGHT HON. BRIAN MULRONEY: You  
9           know the truth, sir, is that I am 70 years of age and I  
10          have had an active and a full life. I have been up and  
11          down. I have won, I have been defeated. And I have  
12          known a lot of people.  
13       39803                   I don't know -- maybe other people  
14          do. I don't know people, any in these circumstances by  
15          and large, who are able to say at the end of their  
16          lives --  
17       39804                   MR. WOLSON: But Mr. Mulroney, I  
18          want --  
19       39805                   THE RIGHT HON. BRIAN MULRONEY: If I  
20          just may conclude --  
21       39806                   MR. WOLSON: But I want --  
22       39807                   THE RIGHT HON. BRIAN MULRONEY: If I  
23          just may conclude --  
24       39808                   MR. WOLSON: But I want you to --  
25       39809                   THE RIGHT HON. BRIAN MULRONEY: If I

1           could just conclude and I will be happy to respond to  
2           anything.

3           39810                   MR. WOLSON: I only want you to be  
4           responsive to the questions, but go ahead.

5           39811                   MR. YAROSKY: I'm sorry,  
6           Mr. Commissioner, I think that the witness should be  
7           allowed to complete his answer.

8           39812                   COMMISSIONER OLIPHANT: Thank you,  
9           Mr. Yarosky, and Mr. Wolson invited him to complete his  
10          answer.

11          39813                   THE RIGHT HON. BRIAN MULRONEY: Yes.  
12          I won't be long.

13          39814                   MR. WOLSON: Fire away.

14          39815                   THE RIGHT HON. BRIAN MULRONEY: I  
15          won't be long.

16          39816                   Just to say that at the end of one's  
17          life it would be a privileged person indeed, very  
18          unique in my experience, to be able to say I am 70 or  
19          80 and I have lived my life error free. I have never  
20          made a mistake in judgement.

21          39817                   That would be a rare person and I  
22          would like to meet him.

23          39818                   I am not excusing anything by saying  
24          that. I am not that person. I have made this mistake  
25          and I am sure I have made others.

1 39819 MR. WOLSON: All right.

2 39820 THE RIGHT HON. BRIAN MULRONEY: All I  
3 am saying is it was a mistake. I can only tell you  
4 that so often, sir.

5 39821 MR. WOLSON: And that is why I was  
6 cutting you off, because I have heard it often.

7 39822 I only want you, if you will, to  
8 focus on my questions and give me the best answers that  
9 you can.

10 39823 THE RIGHT HON. BRIAN MULRONEY: Sure.

11 39824 COMMISSIONER OLIPHANT: Excuse me.

12 39825 Mr. Pratte...?

13 39826 MR. PRATTE: With the greatest of  
14 respect to Mr. Wolson, his question was -- he is  
15 suggesting to the witness that he has exceptional  
16 judgement and when Mr. Mulroney was talking about other  
17 people he put it to Mr. Mulroney, but you have  
18 exceptional judgment. And I think the witness is  
19 trying to indicate that he might even acknowledge that  
20 he didn't have a life that, even with the judgement  
21 required of a Prime Minister, enabled him to never make  
22 any mistakes.

23 39827 So I'm a little disturbed by the  
24 suggestion that he was not attempting to answer the  
25 question.

1 39828 But that water is over the bridge.  
2 39829 He was putting to the witness you  
3 have exceptional judgement, insinuating that he  
4 couldn't have made a mistake in judgement.  
5 39830 COMMISSIONER OLIPHANT: Thank you.  
6 39831 Mr. Wolson...?  
7 39832 MR. WOLSON: Thank you, sir.  
8 39833 I want to ask you, then, you left the  
9 hotel --  
10 39834 THE RIGHT HON. BRIAN MULRONEY: Yes.  
11 39835 MR. WOLSON: -- after you go down --  
12 well, let's do it in proper sequence.  
13 39836 You take the money, put it in your  
14 bag.  
15 39837 THE RIGHT HON. BRIAN MULRONEY: M'hm.  
16 39838 MR. WOLSON: Your answer is yes?  
17 39839 THE RIGHT HON. BRIAN MULRONEY: Yes,  
18 sir.  
19 39840 MR. WOLSON: You go downstairs and  
20 you spend a little time with Elmer and his wife.  
21 39841 THE RIGHT HON. BRIAN MULRONEY: I  
22 suppose an hour or an hour and a half, whatever.  
23 39842 MR. WOLSON: All right. You tell  
24 Mr. Doucet that you are going to meet him at the  
25 airport. Is that so?

1       39843                   THE RIGHT HON. BRIAN MULRONEY: Well,  
2           we certainly leave together and I think we agreed to  
3           meet at the airport, yes.

4       39844                   MR. WOLSON: And you go to a bank --

5       39845                   THE RIGHT HON. BRIAN MULRONEY: M'hm.

6       39846                   MR. WOLSON: Your answer is yes?

7       39847                   THE RIGHT HON. BRIAN MULRONEY: Yes,  
8           sir.

9       39848                   MR. WOLSON: You go to the bank that  
10          you had had some involvement with in the sense that you  
11          sat on the board of this bank?

12      39849                   THE RIGHT HON. BRIAN MULRONEY:  
13          That's right.

14      39850                   MR. WOLSON: You don't have an  
15          account there?

16      39851                   THE RIGHT HON. BRIAN MULRONEY: No.

17      39852                   MR. WOLSON: But you had a safety  
18          deposit box --

19      39853                   THE RIGHT HON. BRIAN MULRONEY: Yes.

20      39854                   MR. WOLSON: -- waiting for you to be  
21          opened?

22      39855                   THE RIGHT HON. BRIAN MULRONEY: A  
23          safety deposit box. I had made arrangements -- as a  
24          member of the board, I had made arrangements for it in  
25          an earlier visit because of what I require it --

1 39856 MR. WOLSON: Sure.

2 39857 THE RIGHT HON. BRIAN MULRONEY: --  
3 for some transactions I was doing in New York. And it  
4 was a convenient time to go by and -- I had no  
5 intention of taking this money back to Canada --

6 39858 MR. WOLSON: Yes.

7 39859 THE RIGHT HON. BRIAN MULRONEY: --  
8 and so I deposited it there.

9 39860 MR. WOLSON: Why not open a bank  
10 account there?

11 39861 THE RIGHT HON. BRIAN MULRONEY: Well,  
12 because I had already asked for a safety deposit box,  
13 because what I needed in New York, because of the  
14 business that I was conducting there, some very  
15 sensitive documents as well, that I was -- I needed a  
16 place to secure documents.

17 39862 That was the reason I had asked the  
18 bank to open this for me, to make the arrangements to  
19 open it.

20 39863 It had not been used and when this  
21 happened to me, I thought this was a good occasion to  
22 deposit this in the safety deposit box which I --

23 39864 MR. WOLSON: But why not --

24 39865 THE RIGHT HON. BRIAN MULRONEY: --  
25 which I -- if I may.



1 39866 MR. WOLSON: Yes.

2 39867 THE RIGHT HON. BRIAN MULRONEY: --

3 which I subsequently and almost immediately thereafter

4 used for securing sensitive documents that I had used

5 in a major transaction involving clients in New York

6 and Latin America.

7 39868 MR. WOLSON: I understand all of

8 that, but I'm assuming it would have been quite easy

9 for you to open a bank account, having been a board

10 member of that bank.

11 39869 THE RIGHT HON. BRIAN MULRONEY: Sure.

12 39870 MR. WOLSON: You are in the bank, you

13 have the money. I suppose one choice would be to open

14 an account and another choice would be to put it in a

15 box.

16 39871 THE RIGHT HON. BRIAN MULRONEY: But

17 that had already been arranged. I had already asked

18 them to arrange a safety deposit box for me, probably

19 months earlier when I had been there for the directors

20 meeting, so that I could use it to secure these

21 documents I have told you about.

22 39872 MR. WOLSON: Yes.

23 39873 THE RIGHT HON. BRIAN MULRONEY: It

24 happened --

25 39874 MR. WOLSON: Yes.

1       39875                   THE RIGHT HON. BRIAN MULRONEY:  --  
2           that I had never had occasion to go down there until  
3           the next meeting, and here we were -- and I hadn't  
4           asked them to open an account for me.

5       39876                   MR. WOLSON:  Yes...?

6       39877                   THE RIGHT HON. BRIAN MULRONEY:  -- I  
7           had asked them to open a safety deposit box for me for  
8           those documents.

9       39878                   It also happened that this was  
10          convenient, very convenient, for anything else to  
11          deposit.

12      39879                   MR. WOLSON:  But you didn't open that  
13          box to deposit cash in that box.  That's clear you  
14          didn't do that.

15      39880                   THE RIGHT HON. BRIAN MULRONEY:  I did  
16          not.

17      39881                   MR. WOLSON:  No.  You did it because  
18          you were going to have sensitive papers while you were  
19          working there in New York and you wanted a place to  
20          deposit them for security purposes, as you told us the  
21          other day.

22      39882                   THE RIGHT HON. BRIAN MULRONEY:  That  
23          is right.  I would frequently go to New York --

24      39883                   MR. WOLSON:  Yes.

25      39884                   THE RIGHT HON. BRIAN MULRONEY:  --

1           for this particular client and related thereto and  
2           spend fairly lengthy periods of time there, and I had  
3           in my possession very sensitive documents for that  
4           client. And as I had to frequently fly up and fly  
5           back, I didn't want to carry this around.

6           39885                   MR. WOLSON:    Sure.

7           39886                   THE RIGHT HON. BRIAN MULRONEY:  And  
8           the client, with the client's -- on his  
9           recommendation -- he was on the same board as me, by  
10          the way, in the same bank. He said why don't you take  
11          a safety deposit box at the bank and secure your  
12          documents there.

13          39887                   MR. WOLSON:    So the only things you  
14          could have done with the money you got in the States,  
15          you could have brought it back to Canada. That wasn't  
16          an option. You weren't going to do that.

17          39888                   THE RIGHT HON. BRIAN MULRONEY:  Well,  
18          I wasn't going to do it anyway.

19          39889                   MR. WOLSON:    No. Well, you didn't  
20          know you were going to get money.

21          39890                   THE RIGHT HON. BRIAN MULRONEY:  
22          That's right. That's what I meant.

23          39891                   MR. WOLSON:    But having gotten the  
24          money -- yes.

25          39892                   But having gotten the money, you

1           certainly had the -- you certainly weren't going to  
2           bring it back to Canada, that's for sure.

3           39893                   THE RIGHT HON. BRIAN MULRONEY:  No.  
4           That's right.

5           39894                   MR. WOLSON:  All right.  So then --

6           39895                   THE RIGHT HON. BRIAN MULRONEY:  I  
7           didn't know it was there, it was going to happen.

8           39896                   MR. WOLSON:  Yes...?

9           39897                   THE RIGHT HON. BRIAN MULRONEY:  And I  
10          had no intention in any case, had it happened, to do  
11          that.

12          39898                   MR. WOLSON:  Yes.  So what you could  
13          have done is you could have either left it there.  If  
14          you have family there, you could have done that.  
15          That's one option; true?

16          39899                   Did you have any family members in  
17          New York?

18          39900                   THE RIGHT HON. BRIAN MULRONEY:  Yes,  
19          my children were there.  One or two of the kids were  
20          there at the time.

21          39901                   MR. WOLSON:  So you could have left  
22          it with them.  That's one option.

23          39902                   THE RIGHT HON. BRIAN MULRONEY:  No.

24          39903                   MR. WOLSON:  Perhaps not an option  
25          that you had wanted to do.

1 39904 THE RIGHT HON. BRIAN MULRONEY: No.

2 39905 MR. WOLSON: You could have left it  
3 in the safety deposit box. Or at the very bank you  
4 were in, you could have attempted to open an account.

5 39906 THE RIGHT HON. BRIAN MULRONEY: Why  
6 would I do that? I had already, three months or two  
7 months earlier, opened a safety deposit box for the  
8 reasons I mentioned to you.

9 39907 I was able to come down and use that.  
10 I can't remember the dates or the details of all of  
11 this. It was some time ago obviously. That was my  
12 objective.

13 39908 MR. WOLSON: I suppose why you do  
14 this --

15 39909 THE RIGHT HON. BRIAN MULRONEY: There  
16 would be nothing wrong --

17 39910 MR. WOLSON: Yes...?

18 39911 THE RIGHT HON. BRIAN MULRONEY: There  
19 would be nothing wrong, although I probably could not  
20 have done it that day -- was this a Friday, sir?

21 39912 MR. WOLSON: I can find that out. I  
22 don't know.

23 39913 THE RIGHT HON. BRIAN MULRONEY: Yes.  
24 I know it was the end of the week, whenever it was.  
25 To go and open an account when I had the possibility of

1 using a safety deposit box.

2 39914 MR. WOLSON: I suppose the question  
3 you asked is why would you do that, and my response  
4 might be for transparency purposes. But that you  
5 didn't do.

6 39915 THE RIGHT HON. BRIAN MULRONEY: I  
7 didn't do.

8 39916 MR. WOLSON: All right.

9 39917 THE RIGHT HON. BRIAN MULRONEY: I put  
10 it in my safety deposit box.

11 39918 MR. WOLSON: Mr. Roitenberg tells me  
12 that was a Thursday.

13 39919 THE RIGHT HON. BRIAN MULRONEY: There  
14 you go. I knew it was towards the end of the week.

15 39920 MR. WOLSON: Now, did you see  
16 Mr. Schreiber after that until you saw him at the Savoy  
17 in 1998?

18 39921 THE RIGHT HON. BRIAN MULRONEY: Well,  
19 1990 -- you have just discussed December 1994, I  
20 believe.

21 39922 MR. WOLSON: Yes.

22 39923 THE RIGHT HON. BRIAN MULRONEY: What  
23 had taken place in those intervening months was a visit  
24 to Russia at the invitation of President Yeltsin --

25 39924 MR. WOLSON: Yes...?

1           39925                   THE RIGHT HON. BRIAN MULRONEY:  --  
2           where I did similar work in July/August 1994; then to  
3           France with President Mitterrand in October of 1994, I  
4           believe.

5           39926                   MR. WOLSON:  Maybe, I'm sorry --

6           39927                   THE RIGHT HON. BRIAN MULRONEY:  Am I  
7           wrong on that?

8           39928                   MR. WOLSON:  I may have misspoken.  
9           39929                   I was asking you -- and maybe we are  
10          not on the same wavelength.

11          39930                   After you saw Mr. Schreiber on  
12          December 8, 1994 at the Pierre Hotel --

13          39931                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

14          39932                   MR. WOLSON:  -- had you seen him  
15          again after that?

16          39933                   THE RIGHT HON. BRIAN MULRONEY:  Oh, I  
17          see.

18          39934                   MR. WOLSON:  Prior to the meeting at  
19          the Savoy Hotel?

20          39935                   THE RIGHT HON. BRIAN MULRONEY:  No, I  
21          didn't.

22          39936                   MR. WOLSON:  I know things happened.

23          39937                   THE RIGHT HON. BRIAN MULRONEY:  But I  
24          spoke to him a lot, beginning in November of that  
25          following year.

1           39938                   MR. WOLSON:  And those conversations  
2           were related I'm sure to the Letter of Request.

3           39939                   THE RIGHT HON. BRIAN MULRONEY:  
4           Absolutely.

5           39940                   MR. WOLSON:  Did you discuss with him  
6           at all during those conversations your business  
7           relationship with him?

8           39941                   THE RIGHT HON. BRIAN MULRONEY:  No.  
9           We were focused exclusively on the Airbus matter and  
10          the Letter of Request.

11          39942                   MR. WOLSON:  All right.  And those  
12          calls would have been 1995, 6, 7?

13          39943                   THE RIGHT HON. BRIAN MULRONEY:  Yes.

14          39944                   MR. WOLSON:  Okay.  When you were at  
15          the hotel, the Pierre Hotel in New York, was there a  
16          discussion then about pasta, or was that later?

17          39945                   THE RIGHT HON. BRIAN MULRONEY:  No.  
18          The pasta came up at the Savoy Hotel -- with me for the  
19          first time.

20          39946                   MR. WOLSON:  Yes.

21          39947                   THE RIGHT HON. BRIAN MULRONEY:  Mr.  
22          Schreiber has testified under oath in the Eurocopter  
23          case that he raised it with me much earlier on.

24          39948                   I think he simply made a mistake in  
25          remembering, because it was not raised earlier on.  It



1           was raised in 1998.

2       39949                   MR. WOLSON:   Okay.   I'm going to  
3           go --

4       39950                   THE RIGHT HON. BRIAN MULRONEY:   And,  
5           by the way, I think he has confirmed that he was in  
6           error there, in that earlier testimony.

7       39951                   MR. WOLSON:   Well, he and I had quite  
8           a set-to about the Eurocopter transcript.

9       39952                   THE RIGHT HON. BRIAN MULRONEY:  
10          That's right, yes.

11      39953                   MR. WOLSON:   So you might have seen  
12          that.

13      39954                   THE RIGHT HON. BRIAN MULRONEY:   Yes.

14      39955                   MR. WOLSON:   I'm going to move into  
15          another area.   It is five to 3:00.

16      39956                   I'm sorry, Mr. Mulroney, to have you  
17          come back on Monday to see me again -- Tuesday, I  
18          should say.

19      39957                   THE RIGHT HON. BRIAN MULRONEY:   Yes.

20      39958                   MR. WOLSON:   But I'm sorry that we  
21          have to do that.

22      39959                   THE RIGHT HON. BRIAN MULRONEY:  
23          That's fine.

24      39960                   MR. WOLSON:   Thank you, sir.

25      39961                   THE RIGHT HON. BRIAN MULRONEY:   Thank

1           you.

2           39962                   COMMISSIONER OLIPHANT: All right.

3           39963                   Mr. Wolson indicated and I indicated  
4           that we would stop at 3 o'clock this afternoon. It is  
5           five to 3:00.

6           39964                   We will adjourn now until Tuesday  
7           morning at 9:30.

8           39965                   I hope everyone has a nice long  
9           weekend. Good afternoon.

10          39966                   MR. YAROSKY: Mr. Commissioner, we  
11          all wish you luck with your appointment tomorrow.

12          39967                   COMMISSIONER OLIPHANT: Thank you.

13          39968                   I would have done it here in Ottawa,  
14          but I tried three clinics last night and couldn't get  
15          an appointment.

16          --- Whereupon the hearing adjourned at 2:56 p.m.,  
17          to resume on Tuesday, May 19, 2009 at 9:30 a.m. /  
18          L'audience est ajournée à 14 h 56, pour reprendre  
19          le mardi 19 mai 2009 à 09 h 30

20

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

\_\_\_\_\_

Monique Mahoney