

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



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

Public Hearing

Audience publique

Commissioner

L'Honorable juge /
The Honourable Justice
Jeffrey James Oliphant

Commissaire

Held at:

Bytown Pavillion
Victoria Hall
111 Sussex Drive
Ottawa, Ontario

Thursday, May 21, 2009

Tenue à :

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

le jeudi 21 mai 2009

APPEARANCES / COMPARUTIONS

Mr. Guy Pratte Mr. Harvey Yarosky, Q.C. Me François Grondin Mr. Jack Hughes Ms Kate Glover	The Right Honourable Brian Mulroney
Mr. Richard Auger	Mr. Karlheinz Schreiber
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Mr. Robert E. Houston, Q.C.	Mr. Fred Doucet
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Ms Marie Chalifoux	Registrar
Ms Anne Chalmers Ms Mary O'Farrell	Commission Staff

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1 Ottawa, Ontario / Ottawa (Ontario)
2 --- Upon resuming on Thursday, May 21, 2009
3 at 9:45 a.m. / L'audience reprend le jeudi
4 21 mai 2009 à 9 h 45
5 44463 COMMISSIONER OLIPHANT: Good morning,
6 counsel. Be seated, please.
7 44464 Mr. Wolson...?
8 44465 MR. WOLSON: Good morning, sir.
9 44466 Just a matter with Mr. Schreiber.
10 44467 COMMISSIONER OLIPHANT: Yes...?
11 44468 MR. WOLSON: In speaking with Mr.
12 Auger, I know that Mr. Schreiber has a medical
13 appointment tomorrow and will have a better idea as to
14 his state of health.
15 44469 What we are suggesting, because he is
16 still on recall, is that we adjourn his matter of
17 appearance before you until the 3rd of June.
18 44470 Of course, we will find out I'm sure
19 sometime early next week as to the feasibility of that
20 for him and deal with that accordingly.
21 44471 Other than that, there are three
22 witnesses for this morning and I will simply hand the
23 microphone over to my colleague Ms Brooks, who will
24 deal with the first witness.
25 44472 COMMISSIONER OLIPHANT: Just before

1 you do that, there are two issues pertaining to Mr.
2 Schreiber. One is the issue of recalling him
3 potentially.

4 44473 MR. WOLSON: Yes.

5 44474 COMMISSIONER OLIPHANT: The other is
6 the motion that was set to be heard today.

7 44475 MR. WOLSON: And I can tell you about
8 that as well.

9 44476 COMMISSIONER OLIPHANT: Okay.

10 44477 MR. WOLSON: That motion --

11 44478 COMMISSIONER OLIPHANT: Because I
12 have heard nothing as to whether it was going to go or
13 be adjourned or what.

14 44479 MR. WOLSON: I think it is resolved
15 as between Mr. Vickery and Mr. Auger that the matter as
16 well be adjourned to the 3rd of June, and it can be put
17 before you at that time.

18 44480 That is by consent of all parties, I
19 believe.

20 44481 COMMISSIONER OLIPHANT: All right.

21 44482 So that in the event that Mr.
22 Schreiber will be recalled, we will hear evidence from
23 him June 3rd.

24 44483 MR. WOLSON: If that is necessary,
25 yes.

1 44484 COMMISSIONER OLIPHANT: Yes. And the
2 motion by Mr. Schreiber for the order, direction or
3 other relief with respect to his remaining in Canada is
4 set over to June the 3rd at 930 as well.

5 44485 MR. WOLSON: It is. And the subpoena
6 for Mr. Schreiber would be outstanding until that time
7 obviously.

8 44486 COMMISSIONER OLIPHANT: The subpoena
9 remains in force until Mr. Schreiber is excused by the
10 Commission.

11 44487 MR. WOLSON: Yes.

12 44488 COMMISSIONER OLIPHANT: Okay. Thank
13 you very much, Mr. Wolson.

14 44489 MR. WOLSON: Thank you.

15 44490 COMMISSIONER OLIPHANT: Ms Brooks,
16 good morning.

17 44491 MS BROOKS: Good morning,
18 Commissioner.

19 44492 I have a housekeeping matter to take
20 care of before we call Ms Stepanian to the stand.

21 44493 COMMISSIONER OLIPHANT: All right.

22 44494 MS BROOKS: I have two exhibits that
23 I would like to have entered on consent, two exhibits
24 in the cause.

25 44495 The first is a summary of the

1 interview of Jean-Pierre Kingsley and it will be
2 Exhibit P-55.

3 44496 COMMISSIONER OLIPHANT: Yes.

4 44497 MS BROOKS: And the second exhibit
5 that is being entered on consent of the parties is the
6 interview of The Honourable Jean Charest.

7 44498 That will be P-56.

8 44499 COMMISSIONER OLIPHANT: These
9 documents are going in with the consent of all counsel?

10 44500 MS BROOKS: That's correct.

11 44501 COMMISSIONER OLIPHANT: All right,
12 then. The summary of the interview conducted by
13 Commission counsel of Jean-Pierre Kingsley will be
14 received and marked as Exhibit No. P-55.

15 EXHIBIT NO. P-55: Summary of
16 interview conducted by
17 Commission counsel of
18 Jean-Pierre Kingsley

19 44502 COMMISSIONER OLIPHANT: The
20 transcript of the interview by Commission counsel of
21 The Honourable Jean Charest will be received and marked
22 as Exhibit P-56.

23 EXHIBIT NO. P-56: Transcript of
24 interview conducted by
25 Commission counsel of The

1 Honourable Jean Charest

2 44503 MS BROOKS: The third exhibit I would
3 like to deal with is now an exhibit for identification.
4 It is exhibit "I".

5 44504 This is the Canada Border Services
6 Agency handwriting analysis report.

7 44505 I would like to make that, on
8 consent, an exhibit in the cause.

9 44506 And I would also -- I don't know how
10 you want to treat this, but this is a curriculum vitae
11 of Samiah Ibrahim who wrote that report. I think it
12 makes sense to make it as part of the same exhibit in
13 the cause, which would be P-57, by my reckoning.

14 44507 COMMISSIONER OLIPHANT: Thank you.

15 44508 These documents again are going in by
16 consent of all counsel.

17 44509 The Canadian Border Services Agency
18 report with respect to the analysis of handwriting,
19 together with the curriculum vitae of -- is it Mr. or
20 Ms Ibrahim?

21 44510 MS BROOKS: I believe it is Ms.

22 44511 COMMISSIONER OLIPHANT: Ms Ibrahim,
23 will be received and marked as Exhibit P-57.

24 EXHIBIT NO. P-57: Canada Border
25 Services Agency handwriting

1 analysis by Samiah Ibrahim
2 (previously Exhibit "I") and
3 Samiah Ibrahim's curriculum
4 vitae

5 44512 MS BROOKS: Madam Registrar, may I
6 hand these exhibits to you? Thank you.

7 44513 I would like to call Ms Stepanian to
8 the stand, please.

9 44514 COMMISSIONER OLIPHANT: Yes. Thank
10 you.

11 44515 Good morning.

12 44516 MS BROOKS: Ms Stepanian would like
13 to be sworn, Mr. Commissioner.

14 44517 COMMISSIONER OLIPHANT: All right,
15 that's fine.

16 44518 Could I just ask you to come up onto
17 the witness stand, please, Ms Stepanian. Good morning.

18 SWORN: SALPIE STEPANIAN
19 ASSERMENTÉE : SALPIE STEPANIAN

20 44519 COMMISSIONER OLIPHANT: Thank you,
21 you can be seated.

22 44520 MS BROOKS: Mr. Commissioner, I will
23 be relying on two exhibits that were filed previously,
24 Exhibit P-15 --

25 44521 COMMISSIONER OLIPHANT: Yes.

1 44522 MS BROOKS: -- which is the report of
2 the PCO, and you should have that. And Ms Stepanian
3 has it, I see.

4 44523 COMMISSIONER OLIPHANT: I have it.

5 44524 MS BROOKS: I will be referring to
6 two appendices that are included in that binder,
7 Appendix 7 and Appendix 8.

8 44525 COMMISSIONER OLIPHANT: Okay.

9 44526 MS BROOKS: And you should also have
10 P-16, which is the report of the PMO.

11 44527 COMMISSIONER OLIPHANT: I have that.

12 44528 MS BROOKS: And we have Ms Stepanian
13 here today because under your Terms of Reference you
14 are charged with investigating and reporting on the
15 following three questions:

16 44529 What steps were taken in processing
17 Mr. Schreiber's correspondence to Prime Minister Harper
18 of March 29, 2007?

19 44530 The next question is: Why was the
20 correspondence not passed on to Prime Minister Harper?

21 44531 The third question is concerning
22 correspondence: Should the Privy Council Office have
23 adopted any different procedures in this case?

24 EXAMINATION: SALPIE STEPANIAN BY MS BROOKS /
25 INTERROGATOIRE : SALPIE STEPANIAN PAR Me BROOKS

1 44532 MS BROOKS: And we have here today --
2 thank you, Ms Stepanian, for being so patient. I know
3 you waited all day yesterday --

4 44533 MS STEPANIAN: No problem.

5 44534 MS BROOKS: -- and unfortunately,
6 just given the events, we weren't able to hear you.
7 But I'm happy that you are here today.

8 44535 Can you tell the Commissioner what
9 your position is now?

10 44536 MS STEPANIAN: I am the
11 Correspondence Manager in the Prime Minister's
12 Correspondence Unit.

13 44537 MS BROOKS: How long have you held
14 that position?

15 44538 MS STEPANIAN: For just over three
16 years now.

17 44539 MS BROOKS: So you were in that
18 position when the documents in question that concern
19 us, Mr. Schreiber's letters, were sent to Prime
20 Minister Harper?

21 44540 MS STEPANIAN: Yes.

22 44541 MS BROOKS: Did you have a role in
23 preparing Exhibit P-16, which is the report of the
24 Prime Minister's Office concerning this correspondence?

25 44542 MS STEPANIAN: Yes, I did.

1 44543 MS BROOKS: For the purposes of our
2 hearing today, can I take it that you adopt the
3 contents of that report as accurate and part of your
4 testimony?

5 44544 MS STEPANIAN: Yes.

6 44545 MS BROOKS: Very good. What I would
7 like to do is just investigate with you and talk to you
8 about the letter handling processes in the Prime
9 Minister's Correspondence Unit.

10 44546 We heard from two representatives
11 earlier of the Privy Council Office Executive
12 Correspondence Unit. Could you just tell the
13 Commissioner how many people work in the Prime
14 Minister's Correspondence Unit, please.

15 44547 MS STEPANIAN: About between six and
16 eight employees.

17 44548 MS BROOKS: And if you turn to the
18 appendix in the Prime Minister's -- in Exhibit P-16,
19 the PMO report, there is an organization chart.

20 44549 I would like you to look at Appendix
21 2, which is the chart that was applicable between
22 February 2006 and June 2008.

23 44550 Could you describe the functions of
24 those who are within your unit and how many were at the
25 time in those positions?

1 44551 MS STEPANIAN: Well, within our unit
2 there is myself and we have a senior writer/editor, and
3 as well there are four writers, an administrative
4 assistant and a correspondence analyst.

5 44552 MS BROOKS: And what were the
6 functions at this time of the senior writer/editor?

7 44553 MS STEPANIAN: The senior
8 writer/editor would be responsible for responding to
9 correspondence as well as helping with the editing
10 process.

11 44554 MS BROOKS: And how would his or her
12 role differ from that of the four writers?

13 44555 MS STEPANIAN: The writers are
14 strictly responsible for preparing responses. They are
15 not involved in the editing process.

16 44556 MS BROOKS: Very good.

17 44557 And we have heard from those who are
18 representing the Privy Council Office that personal and
19 political mail is treated by them differently in that
20 they send personal and political mail to the PMC, the
21 Prime Minister's Correspondence Unit.

22 44558 Is that correct?

23 44559 MS STEPANIAN: That is correct.

24 44560 MS BROOKS: And how do you define
25 personal and political mail?

1 44561 MS STEPANIAN: Personal and political
2 mail is any kind of correspondence dealing with party
3 political matters or Caucus related issues or any
4 personal interests of the Prime Minister, for example,
5 as well as the Prime Minister's role as a Member of
6 Parliament.

7 44562 MS BROOKS: Very good.

8 44563 And in addition, I understand that
9 the PMC, the Prime Minister's Correspondence Unit,
10 sometimes identifies particular issues that the PMO
11 wants to deal with directly.

12 44564 Is that correct?

13 44565 MS STEPANIAN: Yes.

14 44566 MS BROOKS: And how are those issues
15 identified?

16 44567 MS STEPANIAN: Generally through
17 senior staff would let me know and I would advise the
18 Privy Council Office.

19 44568 MS BROOKS: And by senior staff, who
20 would you mean?

21 44569 MS STEPANIAN: It could be anyone.
22 It could be someone in, for example, in Issues
23 Management. It could be someone through the Chief of
24 Staff's Office. It varies.

25 44570 MS BROOKS: Okay. Does the PMO ever

1 identify writers or issues that it expressly does not
2 want to handle?

3 44571 MS STEPANIAN: No.

4 44572 MS BROOKS: All right. How does
5 the -- once an issue is identified as an issue that the
6 PMO wants to handle directly, how is this communicated
7 to the Executive Correspondence Unit in Privy Council
8 Office?

9 44573 MS STEPANIAN: It would either be
10 done by telephone or by e-mail.

11 44574 MS BROOKS: And that would be you
12 making that call?

13 44575 MS STEPANIAN: Yes.

14 44576 MS BROOKS: And who would you speak
15 to at the ECU?

16 44577 MS STEPANIAN: I would speak to the
17 manager.

18 44578 MS BROOKS: And that is Ms Powell?

19 44579 MS STEPANIAN: No, that is Ms
20 Comtois.

21 44580 MS BROOKS: Comtois, Annie Comtois?

22 44581 MS STEPANIAN: Yes.

23 44582 MS BROOKS: Thank you.

24 44583 When the mail is sent to the Prime
25 Minister's Office by Privy Council Office, what are the

1 steps in processing that mail? I'm speaking here of
2 mail that they have identified as personal or political
3 or one of those types of mail that has fallen into that
4 category of an issue that is handled directly by PMO.

5 44584 How is it handled?

6 44585 MS STEPANIAN: Well, once it arrives
7 at our office, the administrative assistant or the
8 analyst would sort the letters according to the writers
9 issue portfolios that they are handling, and once it is
10 sorted I will take a quick look over the sorted letters
11 and then it will go back to the administrative
12 assistant or the analyst to be entered into the WebCIMS
13 tracking database.

14 44586 MS BROOKS: Just for the benefit of
15 the Commissioner, the WebCIMS tracking database, how
16 would you describe that?

17 44587 What is its function?

18 44588 MS STEPANIAN: I guess it is exactly
19 that. It is a tracking database of all the
20 correspondence that is sent to the Prime Minister.

21 44589 Firsthand, the letters are entered
22 through ECU and then they send them to us once they
23 have been entered and then we assign them through
24 WebCIMS.

25 44590 MS BROOKS: Speaking about the volume

1 of the mail, can you tell me -- and I know that if -- I
2 will draw your attention to page one of your report.

3 44591 It states that in 2006-2007 there
4 were 30,000 items of correspondence that were handled
5 by the PMC, and it says that in 2007-2008 there were
6 37,000 items of correspondence handled.

7 44592 Do you have any idea what proportion
8 of that would be mail that is sent to you from the ECU
9 that is identified as personal or political?

10 44593 MS STEPANIAN: I think they had
11 identified that in their report. There is a percentage
12 that comes from ECU, but there is also a percentage
13 that comes internally through either staff or Senators
14 or Ministers, MPs.

15 44594 MS BROOKS: These two figures include
16 both?

17 44595 MS STEPANIAN: It does, yes.

18 44596 MS BROOKS: Both categories. All
19 categories, I could say?

20 44597 MS STEPANIAN: That is correct.

21 44598 MS BROOKS: Would you say that given
22 this volume and the number of staff that you have
23 described that are dealing with it, that the review
24 must need be rather cursory?

25 44599 Well, tell me, how would you describe

1 the review process with respect to the depth that you
2 can give each piece of mail that comes to you?

3 44600 MS STEPANIAN: The Administrative
4 Assistant would read through the letter. Once it is
5 assigned to the writer, the writer is responsible for
6 again reading it in depth and prioritizing and deciding
7 what kind of a response needs to be prepared.

8 44601 MS BROOKS: All right. When we had
9 the Privy Council Office representatives here, they
10 described the volumes of mail that they had to deal
11 with and, given the person-years I suppose -- I don't
12 want to use the word manpower necessarily. But given
13 the number of staff they had to review the mail, they
14 said that it had to be rather cursory in the sense that
15 just given the many thousands of documents that they
16 were receiving on a weekly basis, they couldn't spend a
17 lot of time on each letter.

18 44602 Would you describe the same process
19 for the PMO, the PCU?

20 44603 MS STEPANIAN: Well, I think we spend
21 a bit more time on each piece.

22 44604 MS BROOKS: You would have less mail?

23 44605 MS STEPANIAN: Yes, we have less mail
24 than them, yes.

25 44606 MS BROOKS: Okay. Is there a

1 response given to every letter that comes into the PMC?

2 44607 MS STEPANIAN: No.

3 44608 MS BROOKS: And how is the
4 determination made whether a response is given or not?

5 44609 MS STEPANIAN: We refer to the list
6 that PCU uses for letters that don't receive a
7 response. Generally that is what we would base our
8 decision on.

9 44610 MS BROOKS: All right.

10 44611 We have looked at Appendix 2 of your
11 report and I notice that there is an Appendix 1 that
12 describes the structure of the PMO Correspondence Unit
13 from July 2008 onwards.

14 44612 The only change that I note is
15 that -- or the principal change I might say is that
16 instead of a Deputy Chief Of Staff, which there was in
17 the period February 2006 to June 2008, there is now a
18 Principal Secretary. But it appears to me that the
19 Correspondence Unit itself remains unchanged.

20 44613 Is my understanding correct?

21 44614 MS STEPANIAN: That is correct.

22 44615 MS BROOKS: Mr. Schreiber's letters,
23 as you know, were sent to the Prime Minister, Prime
24 Minister Harper, between June 16, 2006 and September
25 26, 2007 and my understanding is that the Privy Council

1 Office forwarded four letters to the PMC.

2 44616 Can you confirm that?

3 44617 MS STEPANIAN: Yes, that is correct.

4 44618 MS BROOKS: Can you just tell us what

5 the dates of those four letters were?

6 44619 MS STEPANIAN: The first one was June

7 2006 -- June 16, 2006; the second one was August 23,

8 2006; May 3, 2007 and September 26, 2007.

9 44620 MS BROOKS: So the March 29, 2007

10 letter was not forwarded from the PMC -- excuse me,

11 from the Privy Council Office to PMC.

12 44621 Is that correct?

13 44622 MS STEPANIAN: It wasn't forwarded to

14 us for response. I believe we received an information

15 copy, but the original went to -- I believe to the

16 Clerk's office.

17 44623 MS BROOKS: Yes. I will note -- and

18 you can confirm this -- that the September 26, 2007

19 letter includes the March 29, 2007 letter as one of a

20 number of attachments.

21 44624 MS STEPANIAN: Yes.

22 44625 MS BROOKS: Yes. The June 16, 2006

23 letter, the first one that was forwarded by Privy

24 Council Office to your office, how was it treated and

25 what was the outcome?

1 44626 MS STEPANIAN: Well, the first letter
2 we recognized the name, so we decided to forward it on
3 to senior staff for input.

4 44627 MS BROOKS: And at that point the
5 senior staff that you sent it to was the Executive
6 Assistant to the Deputy Chief of Staff, as I
7 understand.

8 44628 MS STEPANIAN: That's right. Yes.

9 44629 MS BROOKS: And what were his
10 instructions to you?

11 44630 MS STEPANIAN: His instructions were
12 to file it without response.

13 44631 MS BROOKS: And did you discuss with
14 him the reasons for why that would be the outcome --

15 44632 MS STEPANIAN: No, we didn't.

16 44633 MS BROOKS: -- with this particular
17 letter?

18 44634 MS STEPANIAN: No.

19 44635 MS BROOKS: With respect to the
20 August 23, 2006 and May 3, 2007 letters, who were those
21 ones sent to?

22 44636 MS STEPANIAN: The August 23rd and
23 the May 3rd letters were forwarded to the Executive
24 Assistant to the Chief of Staff for review.

25 44637 MS BROOKS: And what was the outcome

1 in both cases?

2 44638 MS STEPANIAN: It was the same. Both
3 were returned to me with directions to just file them.

4 44639 MS BROOKS: And the final letter,
5 September 26, 2007, this is the letter that included a
6 copy of the March 29th letter, how was this letter
7 treated?

8 44640 MS STEPANIAN: That one was just
9 filed in our unit.

10 44641 MS BROOKS: And who made that
11 determination?

12 44642 MS STEPANIAN: I did.

13 44643 MS BROOKS: And what was the basis on
14 which you made that determination?

15 44644 MS STEPANIAN: It was based on the
16 previous three letters, the direction we got to file
17 them, so I handled it the same way.

18 44645 MS BROOKS: I have just one other
19 question for you and that is whether there was any
20 communication back to the Privy Council Office by PMC
21 with respect to any of these four letters advising them
22 of what you had decided as a unit to do with these
23 letters?

24 44646 MS STEPANIAN: No, there wasn't.

25 44647 MS BROOKS: And is that the situation

1 with all correspondence that is treated by PMC?

2 44648 MS STEPANIAN: Yes, generally that is
3 the decision.

4 44649 MS BROOKS: All right. Those are my
5 questions.

6 44650 MS STEPANIAN: Okay.

7 44651 MS BROOKS: Just a moment, please.

8 --- Pause

9 44652 COMMISSIONER OLIPHANT: All right.
10 Thank you.

11 44653 MS BROOKS: Just a moment, please.

12 44654 COMMISSIONER OLIPHANT: Fine.

13 44655 MS BROOKS: My colleague, Mr. Wolson,
14 has pointed out that a fruitful question might be: Are
15 there any changes that you have implemented since these
16 letters were received from Mr. Schreiber in your
17 office?

18 44656 MS STEPANIAN: No.

19 44657 MS BROOKS: Have you carried out any
20 review of procedures in that period?

21 44658 MS STEPANIAN: No, we haven't.

22 44659 MS BROOKS: Okay. Thank you.

23 44660 MS STEPANIAN: Okay.

24 44661 MS BROOKS: My colleagues may have
25 some questions.

1 44662 COMMISSIONER OLIPHANT: Mr.
2 Pratte...?
3 44663 MR. PRATTE: I have no questions, Mr.
4 Commissioner, but I guess now I understand why my
5 letters aren't being answered. They are being filed.
6 44664 Thank you.
7 44665 COMMISSIONER OLIPHANT: Mr.
8 Houston...?
9 44666 MR. HOUSTON: No questions, thank
10 you. I haven't been sending letters.
11 44667 COMMISSIONER OLIPHANT: Mr. Auger...?
12 44668 MR. AUGER: I have no questions.
13 44669 COMMISSIONER OLIPHANT: Mr.
14 Vickery...?
15 44670 MR. VICKERY: No, I have no
16 questions, thank you.
17 44671 COMMISSIONER OLIPHANT: Thank you
18 very much.
19 44672 Is there any reason, then, why Ms
20 Stepanian cannot be excused?
21 44673 MS BROOKS: No, Mr. Commissioner.
22 44674 COMMISSIONER OLIPHANT: Thank you.
23 44675 Ms Stepanian, thank you very much for
24 coming to assist us. I will let you get back to work
25 now because the volume of mail that you get demands

1 your presence there.

2 44676 MS STEPANIAN: Thank you.

3 44677 COMMISSIONER OLIPHANT: Thank you
4 very much.

5 44678 And if you get a letter from me,
6 would you see it gets through, please?

7 --- Laughter / Rires

8 44679 MR. BATTISTA: Good morning, Mr.
9 Commissioner. Our next witness is going to be Ms.
10 Christiane Sauvé. Go ahead.

11 44680 MR. VICKERY: Excuse me, just a
12 moment. My apologies.

13 --- Pause

14 44681 MR. BATTISTA: Mr. Commissioner, Mr.
15 Vickery brought to my attention that Mr. Yannick Landry
16 is the attorney who has been working on this aspect and
17 he is not in the room right now.

18 44682 Would it be appropriate if we maybe
19 just suspend for a few minutes and wait for his return?

20 44683 MR. VICKERY: Yes. He is involved in
21 assisting Mr. Roitenberg in preparing Mr. Bild, the
22 next witness.

23 44684 COMMISSIONER OLIPHANT: Okay.

24 44685 MR. VICKERY: So that if I can simply
25 replace him, I will leave the room and Mr. Landry will

1 come back.

2 44686 COMMISSIONER OLIPHANT: You are
3 welcome to stay, Mr. Vickery.

4 44687 MR. VICKERY: Thank you.

5 44688 COMMISSIONER OLIPHANT: Can you tell
6 me, just before we adjourn, is the evidence of this
7 witness going to be in English or in French?

8 44689 MR. BATTISTA: In French.

9 44690 COMMISSIONER OLIPHANT: In French.

10 44691 MR. BATTISTA: And I don't expect it
11 will take very long, Mr. Commissioner.

12 44692 COMMISSIONER OLIPHANT: I see. Thank
13 you.

14 44693 Fifteen minutes?

15 44694 MR. BATTISTA: Yes, certainly.

16 44695 COMMISSIONER OLIPHANT: All right.
17 44696 All right. Fifteen minutes, then.

18 --- Upon recessing at 10:07 a.m. / Suspension à 10 h 07
19 --- Upon resuming at 10:32 a.m. / Reprise à 10 h 32

20 44697 COMMISSIONER OLIPHANT: Be seated,
21 please.

22 44698 MR. BATTISTA: All right, good
23 morning, Mr. Commissioner. So, Ms. Sauvé will be sworn
24 in.

25 44699 COMMISSIONER OLIPHANT: All right.

1 ASSERMENTÉE: CHRISTIANE SAUVÉ /

2 SWORN: CHRISTIANE SAUVÉ

3 44700 MR. BATTISTA: So, good morning, Ms.
4 Sauvé.

5 44701 MS. SAUVÉ: Good morning.

6 44702 MR. BATTISTA: Mr. Commissioner, Ms.
7 Sauvé's testimony will explain how the Voluntary
8 Disclosure Program worked as applied in 2000 in Quebec.

9 44703 We are presenting this evidence not
10 to invite you to draw conclusions regarding compliance
11 with various provisions of the *Impact Tax Act*, but
12 rather to enable you to understand the Voluntary
13 Disclosure Program and how the application of the
14 Program affects taxpayers who are subject to it.

15 INTERROGATOIRE : CHRISTIANE SAUVÉ PAR Me BATTISTA /
16 EXAMINATION: CHRISTIANE SAUVÉ BY MR. BATTISTA /

17 44704 MR. BATTISTA: Now, then, Ms. Sauvé, I
18 will be asking you some questions of a general nature,
19 and I will ask you not to comment on the specific facts
20 of the case that were presented to the Commissioner.

21 44705 First of all, then, Ms. Sauvé, please
22 tell us about your education and your work experience
23 in the voluntary disclosure field.

24 44706 MS. SAUVÉ: I have a B.A. in
25 Accounting and hold the title of Certified General

1 Accountant (CGA). I worked in the Voluntary Disclosure
2 Program for five years.

3 44707 MR. BATTISTA: During which period?

4 44708 MS. SAUVÉ: From 2001 to September
5 2006.

6 44709 MR. BATTISTA: All right. And what do
7 you do now at the Revenue Agency?

8 44710 MS. SAUVÉ: I am a team leader with
9 the Criminal Investigations Program in the Montreal
10 office.

11 44711 MR. BATTISTA: Thank you. And have
12 you always worked in the Montreal office?

13 44712 MS. SAUVÉ: That's right, except for
14 one year when I worked at Headquarters.

15 44713 MR. BATTISTA: Fine. You were with
16 the division responsible for voluntary disclosure
17 starting in September 2001, I understand?

18 44714 MS. SAUVÉ: That's right.

19 44715 MR. BATTISTA: Well then, I'd like you
20 to tell us about voluntary disclosure practices for the
21 year 2000, and in particular the practices in force in
22 Quebec during that same period.

23 44716 So, you arrived afterwards, but you
24 are familiar with the policies that were in force at
25 that time?

1 44717 MS. SAUVÉ: Certainly.

2 44718 MR. BATTISTA: And their application?

3 44719 MS. SAUVÉ: Certainly.

4 44720 MR. BATTISTA: Well, then, first of

5 all, please tell us about the purpose of the Voluntary

6 Disclosure Program today, and was it different in the

7 year 2000?

8 44721 MS. SAUVÉ: The purpose has stayed the

9 same: To enable taxpayers who have omitted to

10 disclose, either voluntarily or involuntarily, a

11 portion of their income.

12 44722 MR. BATTISTA: All right. So, it's a

13 way to correct tax omissions, generally?

14 44723 MS. SAUVÉ: Absolutely, and to comply

15 with the *Income Tax Act*.

16 44724 MR. BATTISTA: All right.

17 44725 And I'm just going to... for the

18 Commissioner's benefit, I've put P-46 in front of you.

19 I'll ask you to turn to the last tab, Tab 26, and the

20 last document at that tab. So, this is an information

21 circular, number 85-1R2.

22 44726 So, obviously you refer to the

23 elements contained in this document to set out the

24 objectives and criteria that were in force?

25 44727 MS. SAUVÉ: Absolutely.

1 44728 MR. BATTISTA: So, when we speak of
2 voluntary disclosure, then, this makes it possible to
3 correct tax omissions.

4 44729 What benefit or advantage does the
5 taxpayer incur by submitting to this program?

6 44730 MS. SAUVÉ: Well, it makes it possible
7 to regularize his situation. By declaring his income,
8 he avoids all penalties that might apply to that
9 income, and the criminal proceedings that might result
10 if the file were audited.

11 44731 MR. BATTISTA: I see. So this is for
12 the taxpayer.

13 44732 MS. SAUVÉ: Absolutely.

14 44733 MR. BATTISTA: And what are the
15 advantages of the Program for the Revenue Agency or the
16 Revenue Department?

17 44734 MS. SAUVÉ: The advantages are that...
18 well, it reduces the Agency's administrative costs. It
19 allows the Agency to recover amounts that could not
20 have been recovered otherwise. It makes it possible -
21 there are different factors involved - to reduce
22 administrative costs and...

23 44735 MR. BATTISTA: When you say...
24 Perhaps I can help you. When you say it makes it
25 possible to reduce administrative costs, that means

1 that you recover sums of money that were not otherwise
2 at your disposal?

3 44736 MS. SAUVÉ: That's right.

4 44737 MR. BATTISTA: So, for example, if
5 citizens omitted to declare income voluntarily or
6 involuntarily...

7 44738 MS. SAUVÉ: M'hmm.

8 44739 MR. BATTISTA: ...citizens who
9 voluntarily had large sums that were not declared...

10 44740 MS. SAUVÉ: M'hmm.

11 44741 MR. BATTISTA: ...you, the Government
12 or the Revenue Department or the Agency would not have
13 recovered what was owing on those amounts, is that
14 correct?

15 44742 MS. SAUVÉ: That's correct.

16 44743 MR. BATTISTA: So the Voluntary
17 Disclosure Program allows you to recover amounts...

18 44744 MS. SAUVÉ: M'hmm.

19 44745 MR. BATTISTA: ...owing or at least a
20 part of those amounts...

21 44746 MS. SAUVÉ: M'hmm.

22 44747 MR. BATTISTA: ...at a much lower
23 cost, because the citizen or the taxpayer has made the
24 voluntary disclosure?

25 44748 MS. SAUVÉ: That's correct.

1 44749 MR. BATTISTA: Is that an accurate
2 summary?

3 44750 MS. SAUVÉ: Yes, it is. And in the
4 future, the taxpayer is reintegrated into the system,
5 and he will be taxed on all his income.

6 44751 MR. BATTISTA: So, if I may, you're
7 saying that once the taxpayer has made his disclosure,
8 that amount is now a known amount?

9 44752 MS. SAUVÉ: Yes.

10 44753 MR. BATTISTA: So, if that amount
11 generates income, obviously, that income is now taxable
12 for the future; is that right?

13 44754 MS. SAUVÉ: That's correct.

14 44755 MR. BATTISTA: Excellent!

15 44756 Now, Mr. Commissioner, I will take
16 this opportunity to produce three documents.

17 44757 We received one of the documents some
18 time ago from our colleagues in the Justice Department.
19 That's "The Financial and Estate Planning Council of
20 Montreal - Dealing with Revenue Canada, Taxation on
21 Voluntary Disclosures," a document dated January 19,
22 1998.

23 44758 I believe you have it in front of
24 you, Mr. Commissioner.

25 44759 So, that will be P-58. Is that

1 right, Ms. Chalifoux?

2 44760 CLERK: Yes.

3 EXHIBIT NO. P-58: Document
4 entitled "The Financial and
5 Estate Planning Council of
6 Montreal - Dealing with Revenue
7 Canada, Taxation on Voluntary
8 Disclosures," dated January 19,
9 1998.

10 44761 MR. BATTISTA: And also, my colleague
11 Mr. Grondin provided us yesterday with two documents
12 that Ms. Sauvé has had the opportunity to read, and
13 with which she has familiarized herself.

14 44762 So the first document is
15 "Présentation sur les divulgations (sic) volontaires,"
16 dated June 14, 2000, prepared by Jean-Louis Lussier of
17 the Canada Customs and Revenue Agency, P-59.

18 EXHIBIT NO. P-59: Document
19 entitled "Présentation sur les
20 divulgations (sic)
21 volontaires," dated June 14,
22 2000, prepared by Jean-Louis
23 Lussier of the Canada Customs
24 and Revenue Agency.

25 44763 MR. BATTISTA: And finally,

1 "Présentation sur les divulgations volontaires au
2 groupe Raymond Chabot Grant Thornton," prepared by Yvon
3 Tétreault, Section Chief, then, as P-60.

4 EXHIBIT NO. P-60: Document
5 entitled "Présentation sur les
6 divulgations volontaires au
7 groupe Raymond Chabot Grant
8 Thornton," prepared by Yvon
9 Tétreault, Section Chief.

10 44764 MR. BATTISTA: So then, Ms. Sauvé, I'm
11 going to draw your attention to P-59, the
12 "Présentation sur les divulgations (sic) volontaires."
13 If you look at the bottom of the first page and the top
14 of the second page, we see a comment on the success of
15 the Voluntary Disclosure Program, and it is indicated
16 that tens of millions of tax dollars have been
17 recovered that would not otherwise have been, is that
18 correct?

19 44765 MS. SAUVÉ: Yes. Just...

20 44766 MR. BATTISTA: Yes.

21 44767 MS. SAUVÉ: Which document is that,
22 exactly?

23 44768 MR. BATTISTA: This one, this one from
24 Mr. ... which was prepared by Mr. Lussier.

25 44769 MS. SAUVÉ: O.K. O.K.

1 44770 MR. BATTISTA: At the bottom of page
2 1...

3 44771 MS. SAUVÉ: O.K.

4 44772 MR. BATTISTA: ... and top of page 2.

5 44773 MS. SAUVÉ: Yes.

6 44774 MR. BATTISTA: So, it says, for
7 example:
8 "The results for the fiscal year
9 ended March 31, 2000, speak
10 volumes..." [Translation]

11 44775 So, increased taxable income at the
12 national level is not available, but for the Montreal
13 office, it's \$49 500 000. Looking at the tax recovered
14 at the national level, it's \$42 million, and the
15 Montreal office recovers \$11.5 millions.

16 44776 So it recovers one quarter, if you
17 will, of the national income?

18 44777 MS. SAUVÉ: Correct.

19 44778 MR. BATTISTA: So the Program as it
20 was in force in Montreal, in that region, enjoyed a
21 certain success?

22 44779 MS. SAUVÉ: Correct.

23 44780 MR. BATTISTA: All right.

24 44781 Now, what were the conditions
25 applying at the time, in 2000, for someone to be

1 eligible for the Voluntary Disclosure Program?

2 44782 MS. SAUVÉ: Three criteria had to be
3 met. The disclosure had to be voluntary, it had to be
4 verifiable, and taxes had to be paid.

5 44783 MR. BATTISTA: All right.

6 44784 Before explaining each one, how could
7 a taxpayer register in the Program? What was the
8 procedure? What was the practice and the standard?

9 44785 MS. SAUVÉ: As a general rule,
10 taxpayers could contact us by phone, by letter or in
11 person, either directly - I mean the individual himself
12 - or through representatives.

13 44786 At the Montreal Tax Services Office,
14 most of the files were opened anonymously, meaning that
15 we had the representatives on file.

16 44787 MR. BATTISTA: All right.

17 44788 MS. SAUVÉ: And so they explained the
18 facts, the situation, to us, and based on that,
19 discussions were entered into to reach a settlement in
20 the case.

21 44789 MR. BATTISTA: I see. So, if I
22 understand, at that time, and perhaps still today, the
23 standard was that contact was made anonymously and the
24 files were treated anonymously by the office, is that
25 correct?

1 44790 MS. SAUVÉ: Correct.

2 44791 MR. BATTISTA: And there were... the
3 taxpayer's representative explained the facts, and on
4 the basis of that explanation, the person responsible
5 at the Agency could determine whether or not the
6 situation as described could be considered under the
7 Voluntary Disclosure Program, is that correct?

8 44792 MS. SAUVÉ: Absolutely. That's quite
9 correct.

10 44793 MR. BATTISTA: Once it had been
11 discussed or negotiated or agreed, what was the next
12 step?

13 44794 MS. SAUVÉ: The individual was then
14 identified, and we requested that amended returns be
15 produced...

16 44795 MR. BATTISTA: Yes.

17 44796 MS. SAUVÉ: ...so as to reflect the
18 additional income.

19 44797 MR. BATTISTA: All right.

20 44798 Now, you talked about three
21 conditions or three criteria that applied. So, you
22 talked about voluntary, verifiable and tax being paid?

23 44799 MS. SAUVÉ: Yes.

24 44800 MR. BATTISTA: I'm now going to ask
25 you to explain the meaning of the term "voluntary."

- 1 44801 MS. SAUVÉ: Voluntary means that the
2 taxpayer was not under audit or under criminal
3 investigation, either by the tax authorities or the
4 RCMP or otherwise, nor under audit by Revenue Quebec,
5 because there is another tax administration in Quebec,
6 and that no enforcement action had been undertaken or
7 begun by the individual.
- 8 44802 MR. BATTISTA: So, if I understand
9 correctly, the voluntary element for you meant that the
10 taxpayer not be subject to any form of investigation or
11 measure by the government; is that right?
- 12 44803 MS. SAUVÉ: That's correct.
- 13 44804 MR. BATTISTA: And in Quebec, that
14 also included the Government of Quebec?
- 15 44805 MS. SAUVÉ: That's right.
- 16 44806 MR. BATTISTA: So, if an individual
17 contacted the federal revenue agency in Quebec and was
18 not the subject of a measure by the federal government,
19 but you also learned that the individual was the
20 subject of a measure by the provincial government, that
21 individual would not be eligible for the program...
- 22 44807 MS. SAUVÉ: That's correct.
- 23 44808 MR. BATTISTA: ...because that would
24 not be voluntary?
- 25 44809 MS. SAUVÉ: That's right.

1 44810 MR. BATTISTA: So, the voluntary
2 criterion applies to investigations and inquiries by
3 the government in connection with the individual?

4 44811 MS. SAUVÉ: Yes.

5 44812 MR. BATTISTA: All right.

6 44813 When you talk about verifiable, you
7 talked about the anonymous approach?

8 44814 MS. SAUVÉ: M'hmm.

9 44815 MR. BATTISTA: And you explained that
10 when the approach was anonymous, the individual or his
11 or her representative explained the circumstances and
12 the facts, and then there was a discussion. If the
13 individual was eligible for the program, there was then
14 disclosure of the facts and the circumstances.

15 44816 I understand that at that point, the
16 individual identifies himself and provides the
17 documents or the information that has to be verified?

18 44817 MS. SAUVÉ: Correct. That's right.

19 44818 MR. BATTISTA: And what does
20 verification mean? What do you do at that point when
21 you undertake the verification?

22 44819 MS. SAUVÉ: Depending on what was
23 provided, if what is submitted corresponds to our
24 needs, also depending on the risk management for the
25 file, if it is an amount that is not very large, we

1 won't conduct an in-depth verification. In some
2 circumstances, if the information submitted is not
3 satisfactory, we might send it for verification.

4 44820 MR. BATTISTA: I see.

5 44821 And what would happen if... what
6 would the consequence of the verification, that is to
7 day, what is the possible outcome of a verification?

8 44822 MS. SAUVÉ: Well, after a
9 verification, if that corresponds to what was disclosed
10 by the individual, we accept the disclosure. If not,
11 we reject the disclosure, and then at that point, the
12 taxpayer is subject to penalties and possibly to legal
13 action.

14 44823 MR. BATTISTA: I see.

15 44824 Now, the final criterion you set out
16 was payment of the tax. I'll summarize, if I may, and
17 you can confirm whether I am correct.

18 44825 Basically, the individual makes a
19 voluntary disclosure for amounts that should otherwise
20 have been previously declared. The Agency expects the
21 individual who makes such a statement to pay the taxes
22 owing quickly?

23 44826 MS. SAUVÉ: That's right.

24 44827 MR. BATTISTA: But you also allowed
25 for the possibility of making arrangements in

1 situations where it was reasonable to do so?

2 44828 MS. SAUVÉ: Correct.

3 44829 MR. BATTISTA: All right.

4 44830 Now, regarding the arrangements that
5 could be considered with the taxpayer regarding the
6 details of the disclosure - and I'm talking here, for
7 example, about sufficient details with respect to
8 income, amounts and circumstances, obtaining the
9 amounts disclosed - what was the practice, the
10 standard, if you will, in that respect?

11 44831 MS. SAUVÉ: When it was impossible to
12 determine the source, the nature, in Quebec, we had a
13 policy that was applicable to everyone in all such
14 cases. We applied... we divided the amount in two, so
15 50 pour cent, and the taxpayer was taxed on that
16 income.

17 44832 MR. BATTISTA: I see.

18 44833 Now, when there was an agreement, if
19 an individual, for example, makes a statement... comes
20 to see you, makes a disclosure, you told us now that
21 when the amounts could not be identified or when the
22 amounts could not necessarily be verified, you had a
23 policy of dividing the amounts in two?

24 44834 MS. SAUVÉ: Yes.

25 44835 MR. BATTISTA: So, an individual, for

1 example, could state, in his voluntary disclosure, that
2 he had received income of \$ 1 000, for example, but
3 when he filed his tax return, he could declare an
4 amount of \$500; is that right?

5 44836 MS. SAUVÉ: That's right.

6 44837 MR. BATTISTA: And at that point, he
7 would have been taxed on the amount declared, and not
8 the amount disclosed; is that correct?

9 44838 MS. SAUVÉ: Indeed.

10 44839 MR. BATTISTA: Now, how did it work,
11 and how does it work today... is there a difference?
12 When the individual makes a voluntary disclosure and
13 the disclosure concerns amounts or income that were
14 acquired several years previously, was there a specific
15 policy in that regard, and is it different today?

16 44840 MS. SAUVÉ: In that regard, yes, there
17 was an approach that we had developed in the Quebec
18 region. We taxed the individual... we agreed to reduce
19 the amount by 50 per cent because... because the nature
20 of the funds, of the undeclared income was difficult to
21 identify. That meant that it could concern different
22 types of income.

23 44841 Perhaps the taxpayer, it was
24 corporate income, so there are expenditures that could
25 have offset that income, or again, it could have been,

1 for example, a gift that he received, an inheritance,
2 and the income was not taxable, but because the source
3 could be identified but was difficult to prove, in
4 those circumstances we divided the amount, we granted a
5 50 per cent reduction.

6 44842 MR. BATTISTA: I see.

7 44843 MS. SAUVÉ: Compared with today, we no
8 longer apply that method.

9 44844 MR. BATTISTA: I see. So, that
10 approach was used at that time. My more specific
11 question at this point was instead concerned with once
12 the disclosure is accepted.

13 44845 So the taxpayer tells you, I have \$1
14 000 of income that was not declared, either by
15 voluntary omission, involuntarily, that's not
16 important, you accept it as a voluntary disclosure, so,
17 you accept it under the program. What does the
18 taxpayer have to do at that point? So, I come to see
19 you today. The income was acquired several years ago
20 or should have been declared several years ago. What
21 do I have to do now?

22 44846 MS. SAUVÉ: We asked that a letter of
23 agreement be drawn up, and then an amended return was
24 produced by the taxpayer, who was required to attach
25 the payment to the amount that was agreed upon.

1 44847 MR. BATTISTA: All right! And at that
2 time, when an amended return was made, the amended
3 return pertained to which taxation years?

4 44848 MS. SAUVÉ: As a general rule, most of
5 the cases were treated such that the income from the
6 three most recent years was taxed.

7 44849 MR. BATTISTA: All right. And now,
8 I'll specify because I know the answer to some extent.

9 44850 MS. SAUVÉ: M'hmm.

10 44851 MR. BATTISTA: Why did you have that
11 policy at that time?

12 44852 MS. SAUVÉ: Because there was interest
13 that was quite punitive. Interest was imposed on the
14 taxpayer that considerably increased the amount owing,
15 which often mean that the taxpayer withdrew the
16 proposal because it was too expensive for him, and
17 since we didn't have any provisions in terms of relief
18 provisions at that time, we allowed the taxpayer to
19 apply those amounts to the three last years.

20 44853 MR. BATTISTA: So, hypothetically, if
21 I came to see you in 2000 and I disclosed an amount,
22 for example, acquired 10 years earlier, hypothetically,
23 the policy that was followed at the time would have
24 been to ask me to produce an amended tax return for a
25 period close to the date of the disclosure?

1 44854 MS. SAUVÉ: That's correct.

2 44855 MR. BATTISTA: And the reason for that
3 was because, at the time, you did not have any
4 discretionary power to negotiate, if you will,
5 agreements regarding the interest to be charged?

6 44856 MS. SAUVÉ: Exactly.

7 44857 MR. BATTISTA: Now, if I'm properly
8 following the logic of what you said earlier, the
9 interest for the Agency in doing that was that the
10 taxpayer could find himself, for example, in a
11 situation where the interest would be so punitive that
12 it could discourage him from participating in the
13 Voluntary Disclosure Program?

14 44858 MS. SAUVÉ: Exactly.

15 44859 MR. BATTISTA: I also understand, and
16 please correct me if I am wrong, that since 2008, that
17 policy has now been changed, and Agency officials have
18 some discretion in that respect?

19 44860 MS. SAUVÉ: That's correct.

20 44861 MR. BATTISTA: So, interest can be
21 charged, but the interest can be negotiated with the
22 taxpayers?

23 44862 MS. SAUVÉ: Precisely.

24 44863 MR. BATTISTA: And regarding the
25 policy of 50 per cent of declared income, what is the

1 approach today?

2 44864 MS. SAUVÉ: Today, we no longer have
3 that policy. It's... the income actually earned has to
4 be taxed in each of the respective years, and we no
5 longer have the 50 per cent policy either.

6 44865 MR. BATTISTA: I see.

7 44866 MS. SAUVÉ: So each file is treated on
8 a case by case basis.

9 44867 MR. BATTISTA: All right, then, very
10 good.

11 44868 If you'll allow me, Mr. Commissioner,
12 I'd just like to verify something with my colleagues
13 here.

14 --- Pause

15 44869 MR. BATTISTA: So, that's all for me,
16 Mr. Commissioner, thank you. Perhaps my colleagues
17 will have some questions.

18 44870 COMMISSIONER OLIPHANT: Thank you very
19 much.

20 --- Pause

21 44871 COMMISSIONER OLIPHANT: Mr. Pratte, do
22 you need a break to discuss with...

23 44872 MR. PRATTE: Perhaps just five
24 minutes, please, Mr. Commissioner.

25 44873 COMMISSIONER OLIPHANT: Five minutes,

1 no problem.

2 44874 MR. BATTISTA: Mr. Commissioner, if
3 you're calling for five minutes, there's just one
4 clarification I'd like to make before my colleagues
5 continue. If I may, I'd like to ask one last question
6 before my colleagues start...

7 44875 COMMISSIONER OLIPHANT: Oh, of course!
8 O.K.

9 44876 MR. BATTISTA: ...before taking the
10 five minutes.

11 44877 COMMISSIONER OLIPHANT: Yes.

12 44878 MR. BATTISTA: Just to go back to the
13 beginning, Ms. Sauvé. You talked about the Voluntary
14 Disclosure Program, how a taxpayer can avail himself of
15 it, you explained that it was for a voluntary or
16 involuntary omission. Please explain that. What does
17 that mean?

18 44879 MS. SAUVÉ: With an involuntary
19 omission, the taxpayer simply forgot to declare that
20 income or he didn't have the necessary knowledge.
21 Following a meeting with his accountant, the accountant
22 may have explained to him that it was income that he
23 should have declared. That can be considered to be an
24 involuntary omission.

25 44880 A voluntary omission is someone who

1 has, voluntarily, decided not to include the income
2 earned in his tax return.

3 44881 MR. BATTISTA: I see.

4 44882 Now just to understand properly, when
5 an individual... when a taxpayer wants to make a
6 voluntary statement, can that be a substitution for a
7 tax return?

8 44883 MS. SAUVÉ: I'm sorry, I don't
9 understand your question.

10 44884 MR. BATTISTA: What I mean is, does a
11 taxpayer have the choice of making a tax return or a
12 voluntary statement for income earned in the year, for
13 example?

14 44885 MS. SAUVÉ: He still has to produce a
15 tax return.

16 44886 MR. BATTISTA: I see. And in what
17 context is the voluntary statement made?

18 44887 MS. SAUVÉ: Suppose that the taxpayer
19 did not declare his income, did not file his tax
20 returns for several years, and he then decides to
21 produce them, by going through the Voluntary Disclosure
22 Program, that enables him to avoid all the penalties...

23 44888 MR. BATTISTA: Very well.

24 44889 MS. SAUVÉ: ...the consequences of not
25 filing a return.

1 44890 MR. BATTISTA: Very well.

2 44891 So, those are my questions.

3 44892 COMMISSIONER OLIPHANT: We will take
4 five minutes.

5 44893 Is that going to be sufficient, Mr.
6 Pratte?

7 44894 MR. PRATTE: Certainly.

8 44895 COMMISSIONER OLIPHANT: Okay.

9 44896 THE REGISTRAR: All rise.

10 --- Upon recessing at 10:56 a.m. / Suspension à 10 h 56

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

12 44897 THE REGISTRAR: All rise. Veuillez
13 vous lever.

14 44898 COMMISSIONER OLIPHANT: Be seated,
15 please.

16 44899 MR. BATTISTA: So, Mr. Commissioner, I
17 have verified with my colleagues. None of my colleagues
18 has any questions for Ms. Sauvé. So there is no reason
19 to detain Ms. Sauvé any longer. Her testimony is
20 completed.

21 44900 COMMISSIONER OLIPHANT: No questions?

22 44901 MR. BATTISTA: No questions, unless
23 you have any yourself.

24 44902 COMMISSIONER OLIPHANT: O.K. Thank
25 you.

1 44903 Ms. Sauvé, thank you very much for
2 your testimony. You are free to go now. Thank you.

3 44904 MS. SAUVÉ: Thank you.

4 44905 COMMISSIONER OLIPHANT: Mr.
5 Roitenberg.

6 44906 MR. ROITENBERG: Good morning, Mr.
7 Commissioner.

8 44907 The next witness that we have is Mr.
9 Fred Bild. If I could ask Mr. Bild to come forward,
10 please.

11 44908 COMMISSIONER OLIPHANT: Good morning,
12 Mr. Bild. Could I ask you just to come up onto the
13 witness stand, please, sir. If you need your books,
14 take them with you, that's okay.

15 44909 Good morning.

16 44910 MR. BILD: Good morning.

17 44911 COMMISSIONER OLIPHANT: Mr. Bild, do
18 you prefer to be sworn or affirmed?

19 44912 MR. BILD: I'll affirm.

20 44913 COMMISSIONER OLIPHANT: You'll
21 affirm.

22 AFFIRMED: FRED BILD /

23 SOUS DÉCLARATION SOLENNELLE : FRED BILD

24 EXAMINATION: FRED BILD BY MR. ROITENBERG /

25 INTERROGATOIRE : FRED BILD PAR Me ROITENBERG /

1 44914 MR. ROITENBERG: Good morning, Mr.
2 Bild.
3 44915 MR. BILD: Good morning.
4 44916 MR. ROITENBERG: Thank you for
5 joining us this morning. The reason that we have you
6 here is because my understanding is that you were
7 Canada's Ambassador to China from 1990 to 1994. Am I
8 right in that, sir?
9 44917 MR. BILD: That's right, to the very
10 end of '94.
11 44918 MR. ROITENBERG: But your service in
12 the diplomatic corps didn't start, obviously, in 1990.
13 I understand you have a long history in the foreign
14 services; is that right?
15 44919 MR. BILD: Yes, it started in 1961.
16 I was barely born.
17 44920 MR. ROITENBERG: Well, I won't taunt
18 you with tales of the fact that I wasn't yet born.
19 --- Laughter / Rires
20 44921 MR. ROITENBERG: But your first
21 foreign posting, as I understand it, was in 1963 in
22 Japan; is that right?
23 44922 MR. BILD: That's right, as the Third
24 Secretary to the Canadian Embassy in Tokyo.
25 44923 MR. ROITENBERG: And you then came

1 home to Ottawa and worked -- oh, excuse me. From there
2 you didn't come home to Ottawa, you went to Laos with
3 the International Control Commission?

4 44924 MR. BILD: That's right.

5 44925 MR. ROITENBERG: And your role there
6 was to investigate and monitor the Geneva Accords and
7 how they were being applied and followed in that
8 region; is that right?

9 44926 MR. BILD: That was the role of the
10 Commission. My role was to make political
11 representations to the other members of the Commission,
12 who were the Indians and the Poles, about
13 investigations we might do. We ended up never doing
14 any investigations.

15 44927 MR. ROITENBERG: Very well.

16 44928 From there you took a posting in
17 Paris?

18 44929 MR. BILD: That's right.

19 44930 MR. ROITENBERG: And eventually wound
20 up working at the Canadian Embassy in Paris, after
21 attending a Public Administration school there.

22 44931 MR. BILD: That's right.

23 44932 MR. ROITENBERG: From there you were
24 brought home to Ottawa --

25 44933 MR. BILD: Yes.

1 44934 MR. ROITENBERG: -- in 1970, where
2 you were the Executive Assistant to the Undersecretary
3 for Foreign Affairs.

4 44935 MR. BILD: That's right.

5 44936 MR. ROITENBERG: Which is akin, I
6 guess, to the assistant deputy minister?

7 44937 MR. BILD: No, the undersecretary in
8 those days was the equivalent of the deputy minister
9 today.

10 44938 MR. ROITENBERG: The deputy minister.
11 44939 And from there it was back to Paris,
12 in 1972.

13 44940 MR. BILD: That's right, as Economic
14 Counsellor.

15 44941 MR. ROITENBERG: Your next foreign
16 posting was in 1979, if I am not mistaken, where you
17 went to Thailand as Canada's ambassador.

18 44942 MR. BILD: That's right.
19 44943 I was also accredited to Vietnam at
20 that time.

21 44944 MR. ROITENBERG: This was a
22 particularly important posting, close to your heart, if
23 I am not mistaken.

24 44945 MR. BILD: Yes, indeed, it was.

25 44946 MR. ROITENBERG: If you could share

1 with the Commissioner, briefly, why that was, sir.

2 44947 MR. BILD: Well, I say that that
3 coincided with Canada's finest moment. It was at the
4 time of the tremendous crisis of the boat people in
5 Indo-China, mostly people of Chinese ancestry, who had
6 been expelled or driven out of Vietnam, who embarked on
7 terribly hazardous little craft at sea, not knowing
8 where they would land. Many of them were drowned.
9 Most of them were attacked by pirates.

10 44948 They eventually landed on the beaches
11 of Southeast Asia, Indonesia, Malaysia and Thailand,
12 and those countries didn't know what to do with them.
13 They were tempted to throw them back at sea.

14 44949 That was during that brief period in
15 our history when Joe Clark was our Prime Minister, and
16 Flora MacDonald was our Foreign Minister, and Flora
17 went to Geneva, to a conference of countries who might
18 take some of these refugees on a more permanent basis,
19 and she immediately offered that we would take 50,000.
20 All of the others had to follow suit. The Americans,
21 of course, took more. The Australians took some, the
22 New Zealanders, the French.

23 44950 The problem -- the refugee problem
24 that confronted these South Asian nations was, in a
25 way, solved overnight. All we had to do at embassies

1 was to make sure that we would get these refugees onto
2 planes.

3 44951 I had then my first ambassadorial
4 post, and I turned out to have the largest immigration
5 section in my embassy. I hadn't counted on that.

6 44952 And these eleven immigration
7 officers, their job was, day in, day out, to go and
8 interview refugees in refugee camps, to see if they
9 would be suitable immigrants for Canada.

10 44953 We had to fill 2,000 plane seats
11 every month, and that's all we had to do -- that
12 section had to do -- but it was a tremendous
13 undertaking.

14 44954 The wonderful thing about that
15 program, if I may, Mr. Commissioner, just for a moment,
16 because it's something that most Canadians have
17 forgotten but they should be very proud of, is that it
18 started because there was a public reaction across
19 Canada. They had seen the plight of these people on
20 television. There was tremendous pressure on the
21 government, and Joe Clark announced that the government
22 would sponsor one refugee for each one that was
23 sponsored by the private sector.

24 44955 Almost overnight there were little
25 committees formed across the country -- church groups,

1 Kiwanis groups and others -- who were ready to adopt --
2 to sponsor a refugee family, as a result of which those
3 refugees spread themselves throughout the country, and
4 there was never a problematic concentration of them
5 anywhere. We had them everywhere, from the West Coast
6 to the East Coast.

7 44956 That's what my job was to do, and at
8 the same time I had to negotiate with the Vietnamese,
9 to make sure that they would let us accept people on an
10 orderly departure basis, so as not to give rise to
11 these refugees. That was my second job.

12 44957 I thought that was a major
13 contribution that we had made. Thank you.

14 44958 MR. ROITENBERG: Thank you for
15 sharing that with us, sir.

16 44959 From there, I understand that you
17 were posted back to Paris in 1983.

18 44960 MR. BILD: That's right.

19 44961 MR. ROITENBERG: And then it was back
20 to Ottawa in 1987, as the Assistant Deputy Minister in
21 Foreign Affairs.

22 44962 MR. BILD: That's right.

23 44963 MR. ROITENBERG: Now, in that post,
24 my understanding is that you were involved in dealings
25 with multiple international organizations involved in

1 international summits at the time, which were happening
2 in Canada.

3 44964 Is that right?

4 44965 MR. BILD: Yes.

5 44966 MR. ROITENBERG: And, as well,
6 involved in dealings with the United Nations,
7 particularly peacekeeping efforts.

8 44967 MR. BILD: Yes, I was in charge of
9 all our relations with the United Nations, all
10 peacekeeping operations, anything to do with the
11 military, both defence and disarmament, all
12 international security problems, including practically
13 all the summits -- La Francophonie, the Commonwealth.

14 44968 Those were my main responsibilities.

15 44969 MR. ROITENBERG: I, as well,
16 understood that you were involved in organizing a
17 campaign to secure Canada's seat on the United Nations
18 Security Council.

19 44970 MR. BILD: At the United Nations,
20 yes.

21 44971 MR. ROITENBERG: And, then, in 1990
22 you were appointed Ambassador to China.

23 44972 MR. BILD: That's right.

24 44973 MR. ROITENBERG: A position you held
25 until 1994, and eventually you retired from the foreign

1 services, the diplomatic service, in 1996.

2 44974 MR. BILD: That's right.

3 44975 MR. ROITENBERG: And you are
4 currently teaching Chinese and Japanese politics at the
5 University of Montreal.

6 44976 MR. BILD: That's correct.

7 44977 MR. ROITENBERG: Quite a fascinating
8 history that you have had, sir, but I am mostly
9 interested in the 1987 to 1994 period, and that is
10 where I would like to focus you.

11 44978 In your time as the Assistant Deputy
12 Minister in Foreign Affairs, and your dealings with the
13 United Nations, you became familiar, as you said, with
14 Canada's role in peacekeeping and in our dealings with
15 the United Nations in that regard.

16 44979 MR. BILD: That's right.

17 44980 MR. ROITENBERG: My understanding is
18 that the United Nations Security Council, or the United
19 Nations as an agency, had never gone out and purchased
20 equipment and held it in a particular location.

21 44981 Is that fair?

22 44982 MR. BILD: That's my understanding.

23 44983 MR. ROITENBERG: But my understanding
24 from you this morning is, there is certainly nothing
25 that ever prevented the United Nations from embarking

1 on that, nothing that precluded it, and if the United
2 Nations chose to do it, it was something open to them.

3 44984 MR. BILD: Indeed. In fact, as I
4 mentioned to you, in 1994 the United Nations decided to
5 set up a base in Brindisi, in southern Italy, where
6 they could stock equipment, because even though they
7 weren't at that time buying equipment, they inherited a
8 lot of equipment, going all the way back to the Suez
9 crisis in 1956, after another great Canadian, Mr.
10 Pearson, had invented peacekeeping, and invented the
11 blue helmets, and sent in a mission.

12 44985 When the mission was over, there was
13 all this equipment left, and over the years things were
14 added to it, and they eventually decided that they were
15 going to stock all of this at Brindisi, which you can
16 look up on the web. It's a full-fledged base. I don't
17 know if they have brought equipment there, I am not
18 aware of any, but they do have a place there where they
19 can store equipment, and, more importantly, from a
20 peacekeeping angle, they can train peacekeepers from
21 the Third World. Most Third World countries -- many of
22 the poorer Third World countries have no equipment to
23 train their soldiers on.

24 44986 So there they have equipment that
25 these peacekeepers can be trained on.

1 44987 MR. ROITENBERG: And your
2 understanding, if I understood you earlier, when we
3 spoke before your testimony this morning, was that the
4 issue of standardized equipment was of benefit in that
5 regard, because if you are training these individuals
6 from poorer nations on equipment, it is best that you
7 are going to use it across the board and have some form
8 of standardization.

9 44988 MR. BILD: Yes, it would have some
10 advantages that way, of course.

11 44989 MR. ROITENBERG: Now, moving ahead to
12 your posting as Ambassador to China in 1990, you are
13 familiar with the fact that Mr. Mulroney and a group of
14 Canadian business people came over in October of 1993
15 for certain meetings.

16 44990 MR. BILD: Yes, of course, and I met
17 them, and I attended many of the functions with them.

18 44991 MR. ROITENBERG: You were involved
19 ahead of time, before the delegation arrived, in
20 speaking with individuals on that trip?

21 44992 MR. BILD: Yes. For one thing, Mr.
22 Mulroney -- I had a telephone conversation with Mr.
23 Mulroney beforehand, while he was still in Canada. He
24 told me that he was coming. He gave me a general idea
25 of what it was about, and Mr. Liu Huaqiu, the

1 Vice-Minister of Foreign Affairs, whom I knew extremely
2 well by then, because we had almost daily contact at
3 various occasions, had asked me at one point to come to
4 a meeting with him to discuss some of the arrangements
5 that were being made for that visit.

6 44993 MR. ROITENBERG: Now, you have a book
7 of documents in front of you there.

8 44994 I am going to ask, Mr. Commissioner,
9 that this book of documents, which is relatively
10 wafer-thin, in comparison to our other books of
11 documents, be marked as the next exhibit, P-61.

12 44995 I don't believe that counsel would
13 have an objection, but if they do...

14 44996 COMMISSIONER OLIPHANT: Mr.
15 Vickery...

16 44997 MR. VICKERY: I apologize for
17 interrupting my friend.

18 44998 I don't have an objection to that,
19 Mr. Commissioner; however, I did have a representation
20 to make at this point.

21 44999 Mr. Bild, for whom I act, had
22 indicated to me yesterday, in preparation, that he had
23 some concern as to whether he was to be permitted to
24 refer to the identity of the members of the delegation
25 on the trip to China, because, of course, he would

1 normally do that, but is cognizant of the fact that the
2 names were redacted from Mr. Mulroney's agenda dealing
3 with the trip.

4 45000 He simply wished to have some
5 direction from you as to whether he should avoid
6 indicating the identities of --

7 45001 COMMISSIONER OLIPHANT: I have your
8 point.

9 45002 MR. VICKERY: Thank you.

10 45003 COMMISSIONER OLIPHANT: Well, I know
11 who these people are, of course.

12 45004 Mr. Pratte, do you have a view on
13 that? It would have been at your request, I suppose,
14 that certain names were redacted.

15 45005 I don't know that, I am assuming
16 that.

17 45006 MR. PRATTE: Mr. Commissioner, thank
18 you. It was at our request, simply to protect the
19 privacy of those involved, and I don't think there was
20 an objection to it.

21 45007 Although the witness obviously knows
22 the identities, I would prefer, in the circumstances,
23 that we keep their identities anonymous.

24 45008 COMMISSIONER OLIPHANT: Even though
25 we are talking about something that happened 18 or 19

1 years ago?

2 45009 MR. PRATTE: That may be so, sir, I
3 won't --

4 45010 COMMISSIONER OLIPHANT: I am not
5 pressing for disclosure of the names --

6 45011 MR. PRATTE: No, no, I understand
7 what you are saying.

8 45012 COMMISSIONER OLIPHANT: I don't know
9 that the names of the people that were on that trip are
10 relevant for the purposes of this inquiry, in any
11 event.

12 45013 MR. PRATTE: That is my point, sir,
13 and at this stage -- this late stage --

14 45014 COMMISSIONER OLIPHANT: Seeing that I
15 have made your point for you, then, I think you can sit
16 down comfortably. Okay?

17 45015 MR. ROITENBERG: I certainly think
18 that I can lead the evidence from Mr. Bild without
19 touching on specific things.

20 45016 COMMISSIONER OLIPHANT: Mr. Bild,
21 thanks for drawing that to the attention of Mr.
22 Vickery. I will just ask you to be very careful not to
23 divulge the names of anybody who was on that trip,
24 except for Mr. Mulroney, who we know was there.

25 EXHIBIT NO. P-61: Book of

1 Documents in Support of the
2 Testimony of Fred Bild

3 45017 MR. ROITENBERG: Mr. Bild, you
4 mentioned briefly that you received some telephone
5 contact from Mr. Mulroney in advance of that trip, and
6 understood, to some degree, the nature of the trip.

7 45018 MR. BILD: That's right.

8 45019 MR. ROITENBERG: Was it shared with
9 you at all in the telephone contact you had before the
10 trip that Mr. Mulroney intended to do business while on
11 the trip?

12 45020 MR. BILD: No. He told me that he
13 was associated with the people he was coming with, and
14 the various things that they were going to be dealing
15 with looked very promising, but we did not go into the
16 substance and he did not mention anything that he
17 wanted to bring up himself.

18 45021 He was concerned with whom we were
19 going to meet and under what circumstances.

20 45022 MR. ROITENBERG: Did he specifically,
21 at any time, mention that he was going to be discussing
22 UN peacekeeping, or armoured vehicles in relation to
23 peacekeeping, or anything of that sort?

24 45023 MR. BILD: Not at all, because it
25 would have sent up a whole lot of flags in our embassy,

1 and the whole visit would have taken a different turn,
2 for us anyways.

3 45024 MR. ROITENBERG: You have had a
4 chance to familiarize yourself with Tab 3 of this book
5 of documents, which is a redacted itinerary of the trip
6 to Asia taken by Mr. Mulroney and those travelling
7 companions with whom he was associated.

8 45025 MR. BILD: That's right.

9 45026 MR. ROITENBERG: There were a number
10 of meetings, or engagements, if I could use that
11 expression, that I understand you attended with Mr.
12 Mulroney and some of these other business people.

13 45027 Am I right in that?

14 45028 MR. BILD: That's right.

15 45029 MR. ROITENBERG: Firstly, if we could
16 turn in Tab 3 to Tuesday, October the 5th --

17 45030 MR. BILD: October 5?

18 45031 MR. ROITENBERG: Yes, sir.

19 45032 MR. BILD: Yes.

20 45033 MR. ROITENBERG: It indicates a
21 potential breakfast with the Ambassador of Canada in
22 Beijing, Mr. Fred Bild.

23 45034 I assume that you are familiar with
24 that gentleman.

25 --- Laughter / Rires

1 45035 MR. BILD: Yes, I have some knowledge
2 of him.

3 45036 I don't think that breakfast took
4 place, mainly because I can't remember it; also,
5 because, what I do remember is, I got together with the
6 group, or at least with -- well, with two senior
7 members of the group and Mr. Mulroney, I think, the
8 night they arrived -- the day they arrived, or perhaps
9 the following day, at their hotel.

10 45037 I certainly don't remember having
11 breakfast with them, and I don't remember receiving
12 them at the outset at the embassy.

13 45038 MR. ROITENBERG: According to their
14 agenda, they arrived shortly before 8 p.m. local time
15 the day prior, on October the 4th.

16 45039 MR. BILD: Yeah. Okay, that's what
17 it says here.

18 45040 MR. ROITENBERG: On October the 5th,
19 the Tuesday, if you are on that page --

20 45041 MR. BILD: Yes.

21 45042 MR. ROITENBERG: -- if you could
22 assist at what meetings or engagements you were present
23 with Mr. Mulroney and the group.

24 45043 MR. BILD: The third one -- I am
25 telling you the ones I remember. I may have attended

1 some of the others, but I can't remember them, because
2 I did not keep a copy of this visit in my files.

3 45044 The one where it says, "Meeting with
4 Liu Huaqiu," I was definitely there because he and I
5 had planned that meeting.

6 45045 MR. ROITENBERG: When you say "he and
7 I", are you referring to Liu Huaqiu?

8 45046 MR. BILD: Liu, yes.

9 45047 COMMISSIONER OLIPHANT: That's the
10 meeting at 1430?

11 45048 MR. BILD: That's the meeting at
12 1430, Mr. Commissioner, yes.

13 45049 MR. ROITENBERG: There was a meeting
14 with the Minister of Electric Power at 1545 hours.

15 45050 MR. BILD: Mr. Shi Dazheng, yes, whom
16 I knew extremely well, because electric power was
17 something we did on a continuing basis with the Chinese
18 at that time.

19 45051 MR. ROITENBERG: Were you present at
20 that meeting?

21 45052 MR. BILD: I was present at that
22 meeting.

23 45053 And I was there at the banquet, which
24 was given by Zhu Ronji that night at the Great Hall of
25 the People.

1 45054 MR. ROITENBERG: Very well.

2 45055 The following day there were a number
3 of engagements, as well. That would be Wednesday,
4 October 6th, if you turn the page to that.

5 45056 Were you present at any of the
6 engagements on that date, sir?

7 45057 MR. BILD: I cannot remember being
8 present at the first meeting with Zhang Wepu, who also
9 was somebody I knew extremely well, from his days when
10 he was a Chinese ambassador here in Ottawa.

11 45058 I can't say that I remember that.
12 It's quite possible that I wasn't there.

13 45059 I don't remember going to the
14 Ministry of Radio, Film and Television, but I was
15 definitely at the luncheon meeting hosted by Rong Yiren
16 at Capital Mansions.

17 45060 MR. ROITENBERG: That is noted at
18 1130.

19 45061 MR. BILD: That's 1130.

20 45062 MR. ROITENBERG: Yes, sir?

21 45063 MR. BILD: And I was also at the
22 banquet that night, hosted by the leader of the
23 delegation, whose name I won't reveal.

24 45064 MR. ROITENBERG: That was at 1800
25 hours.

1 45065 MR. BILD: That was at 1800 hours.

2 45066 MR. ROITENBERG: Now, if you were to
3 go to Tab 2 of this book of documents, there is an
4 itinerary for a trip -- it is actually your itinerary,
5 but it refers to a trip on the 22nd of January, where
6 Mr. Mulroney and a group of other business people, some
7 of whom were the same business people as accompanied
8 him in October, attended back to China.

9 45067 Is that right, sir?

10 45068 MR. BILD: That's right.

11 45069 I see that their names have not been
12 redacted here.

13 45070 MR. ROITENBERG: That's all right, I
14 am not going to go into them with you.

15 45071 MR. BILD: Okay, fine.

16 45072 MR. ROITENBERG: These are your
17 notes.

18 45073 MR. BILD: On the Saturday, which was
19 the 22nd of January, that was the second trip that Mr.
20 Mulroney made.

21 45074 We had dinner with the Minister of
22 Railways, and there were a number of major Canadian
23 companies represented there, as well.

24 45075 I'm sorry, it was a luncheon. There
25 were a number of companies there, as well.

1 45076 In fact, I was not enthused about
2 that. I remember it well, because I was a little bit
3 disappointed about that meeting, because the Minister
4 of Railways didn't show up, and he sent his
5 vice-minister.

6 45077 MR. ROITENBERG: Now, these pages at
7 Tab 2 of the January trip, these are not a formal
8 itinerary of the trip, this is your itinerary.

9 45078 MR. BILD: This is my personal
10 itinerary -- my personal program for that week.

11 45079 I must say, I also redacted some
12 events there. I don't see why you have to know about
13 the bicycle trips that my wife and I took to the Great
14 Wall and that sort of thing.

15 45080 MR. ROITENBERG: I don't think
16 anything is wrong with that, sir.

17 45081 At Tab 1 we also have excerpts from
18 your diary from January of 1994.

19 45082 Is that right?

20 45083 MR. BILD: That's right.

21 45084 MR. ROITENBERG: Now, you have these
22 notes, you have your notes at Tab 2, but you don't have
23 similar personal notes surrounding the trip in October
24 of 1993.

25 45085 Is there a reason why you don't have

1 those notes, or do you know where they may have gone?

2 45086 MR. BILD: Had I known that I would
3 ever have any use for them, such as today, I certainly
4 would have kept notes throughout my stay there.

5 45087 It was in 1994, January 1st, 1994,
6 which I knew was going to be my last year in Beijing,
7 that I decided to keep a daily diary, and I kept it
8 only for that year.

9 45088 The fact that I have my weekly
10 program of that whole year, I don't know if that was a
11 deliberate decision on my part, I just happened to have
12 taken that along with me.

13 45089 If I had taken my weekly programs
14 from all of my previous posts, I would have to hire a
15 hangar for them. So those are the only ones I have.

16 45090 MR. ROITENBERG: If I could direct
17 you to your notes, or the excerpts from your diary at
18 Tab 1, these are instructive, because they seem to
19 reflect telephone contact with Mr. Mulroney -- and,
20 again, Mr. Mulroney never suggested that he engaged in
21 any business related to this inquiry in that January
22 1994 trip, but the excerpts from your diary are
23 instructive, insofar as they reflect your telephone
24 contact before Mr. Mulroney's arrival, on the 10th and
25 12th of January.

1 45091 Is that so?

2 45092 MR. BILD: That's correct.

3 45093 COMMISSIONER OLIPHANT: I'm sorry,
4 just before you go on; I am sure that everybody is
5 looking at the same pages as I am. Is there a concern
6 about the lack of redaction on these pages?

7 45094 MR. PRATTE: None that come to mind,
8 sir.

9 45095 COMMISSIONER OLIPHANT: No concern,
10 all right.

11 45096 Mr. Vickery...

12 45097 MR. VICKERY: No, we have no concern
13 with regard to it.

14 45098 MR. HOUSTON: No, sir. Thank you.

15 45099 MR. AUGER: No, sir.

16 45100 COMMISSIONER OLIPHANT: All right.
17 I'm sorry, go ahead, please, Mr. Roitenberg.

18 45101 MR. ROITENBERG: Thank you.

19 45102 Ms Corbeil was just pointing out -- I
20 believe I said it, I don't know if Ms Chalifoux caught
21 it, but I asked that it be filed as the next exhibit,
22 this book of documents, Exhibit P-61.

23 45103 You have that?

24 45104 THE REGISTRAR: Yes.

25 45105 MR. ROITENBERG: Thank you.

1 45106 Following the initial telephone
2 conversations, you then have diary entries of your
3 contact with Mr. Mulroney and his group on the days
4 where you interacted with them.

5 45107 Is that fair?

6 45108 MR. BILD: That's right.

7 45109 MR. ROITENBERG: Would the October
8 trip have taken a similar unfolding, where you would
9 have, as you said earlier, had the telephone contact
10 before arrival, and then you would have noted your
11 contact with them on the days that you were involved
12 with them?

13 45110 MR. BILD: Very similar.

14 45111 I remember that this one, in some
15 ways, was easier, although the group was bigger, I
16 guess because Mr. Mulroney and the others had already
17 made their introduction to China at that stage.

18 45112 This one was easier, but the October
19 one -- there is one other thing that sticks in my mind,
20 which I will never forget. They were arriving in a
21 private jet, and the embassy had to arrange clearance
22 for it, for landing in Beijing and in Shanghai. The
23 young chap at the embassy to whom this was delegated
24 didn't do his job properly, and two days before I
25 realized that the clearance hadn't been got.

1 45113 You can imagine the fuses that were
2 blown in the embassy that day. The poor fellow was
3 sure that he was going to be fired, there and then.

4 45114 We did get the clearances, obviously,
5 but it's because of that that I have a fairly -- it's a
6 bit like when an explosion happens, you remember the
7 events before and after more clearly.

8 45115 MR. ROITENBERG: Very fairly pointed
9 out. Thank you, sir.

10 45116 Now, on these dates where you
11 interacted with Mr. Mulroney and his group, the 5th and
12 the 6th, do you recall Mr. Mulroney advising you as to
13 his desire to broach the subjects of peacekeeping,
14 United Nations involvement, light-armoured vehicles --
15 anything of the like, sir?

16 45117 MR. BILD: Nothing, because, as I
17 said before, all kinds of lights would have gone off
18 within the embassy.

19 45118 If that subject had been raised --
20 there were barely 45 Canadians in that embassy,
21 including all support staff. If that subject had been
22 raised, I would have had to get my political section to
23 put one officer on it from then on, for a matter of
24 weeks, and we would have had to rearrange all of the
25 duties.

1 45119 It's something that none of us would
2 have forgotten.

3 45120 MR. ROITENBERG: Mr. Mulroney has
4 testified that he was, at the time, operating as a
5 private citizen, as an emissary, if you will, of a
6 private concern, broaching a topic or an idea, and that
7 he wanted to speak to certain individuals with whom he
8 was acquainted in the Chinese government.

9 45121 Would that have required clearance
10 with the embassy, or anything of the sort?

11 45122 MR. BILD: No, there is no
12 requirement. I mean, there is no legal requirement
13 that he clear it with us, but it would have caused
14 immense surprise, because that topic, no matter how you
15 approach it, whether it is from the point of view of
16 sales or not sales, is essentially a
17 government-to-government topic. The governments
18 concerned are going to have to get involved, no matter
19 how private it is, no matter how commercial you keep
20 it.

21 45123 For us at the embassy, and for the
22 people here in Ottawa, it would have meant a whole new
23 phase opening up in our relations with China. For us,
24 China was still persona non grata on the level of
25 anything to do with military or military equipment. We

1 did not talk to them about it.

2 45124 Yes, I went to talk to them. In
3 fact, the day after this visit finished, I had an
4 appointment in the morning at the Foreign Ministry.
5 That's why I didn't go to see them off. I had an
6 appointment at the Foreign Ministry to protest one of
7 their last nuclear tests that they were setting off.

8 45125 That was our policy. We had very
9 strong views on that. We would not let the Chinese off
10 the hook.

11 45126 Anything that approached military
12 cooperation, in whatever way, even in the context of
13 the UN, we would have had to start sending reports back
14 to Ottawa, comparing analyses with the desk here in
15 Ottawa. It would have set a whole new procedure in
16 train.

17 45127 None of that happened.

18 45128 MR. ROITENBERG: I can understand how
19 a government-to-government approach would have set off
20 these bells in the embassy, but here we have a private
21 citizen coming forward on behalf of a private business
22 concern, simply broaching a topic. How would that
23 necessarily have needed to be done on the scale which
24 you have described?

25 45129 MR. BILD: When that private citizen

1 is a former prime minister, in my view, he would
2 automatically discuss it with the foreign ministry,
3 with Foreign Affairs here, in order to know how to
4 approach it in China.

5 45130 I mean, there are a number of
6 agencies involved. It can't be done through one person
7 or through one or two people.

8 45131 It requires a whole cooperation with
9 a number of agencies in China, and he would seek their
10 views. The people here next door could have given him
11 a lot of useful pointers on how the Chinese might
12 react, not only because it involves military.

13 45132 At that stage the Chinese were just
14 beginning to experiment with multilateral relations.
15 Up until about 1992 the Chinese never wanted to have
16 anything to do with any of these things, and it was
17 indeed not until 1993 that they ever did participate in
18 a peacekeeping operation.

19 45133 So it was every -- everyone was
20 extremely careful about those things.

21 45134 The Chinese would have reacted
22 immediately by talking to us at the embassy.

23 45135 MR. ROITENBERG: How is it that you
24 know that?

25 45136 MR. BILD: Well, there were less

1 important issues like that. I won't go into them.
2 They were strictly commercial, not at this great
3 international level, but they were of the sort where
4 Canadian enterprises who had consulted us normally on
5 things, on what they were doing in China, did undertake
6 initiatives on their own.

7 45137 It was usually within two weeks after
8 this happened that we would learn about it, because the
9 Chinese are just as much at a loss in dealing with us
10 as we are with them.

11 45138 For them, the embassy, the Canadian
12 Embassy in China is the main source of useful
13 information about where is this idea coming from, what
14 is it for, what is its ultimate objective, who are
15 going to be the Canadians involved in this, what is
16 expected.

17 45139 So this is what the embassy -- that's
18 what we do. We explain Canada and what our objectives
19 are in China.

20 45140 MR. ROITENBERG: And if the approach
21 had had nothing to do with Canadian interests but
22 simply had to do with business interests and directions
23 being sought, based on relationships that had been
24 built up personally over a number of years, would that
25 have necessarily gotten back to you?

1 45141 MR. BILD: In some cases no, you are
2 quite right. If a Canadian was peddling some widgets
3 for an American firm, even if they were quite
4 sensitive, we might not have been contacted.

5 45142 But here, as I said before, this is
6 an initiative by a former Canadian prime minister
7 involving some form of cooperation in military field,
8 even if it is just UN related. You remember at the
9 beginning it wasn't just UN related when this first
10 came out. There was talk of sales, sales for local
11 domestic purposes as well as peacekeeping.

12 45143 MR. ROITENBERG: But we are talking
13 now about UN peacekeeping.

14 45144 MR. BILD: Okay, fine. But the point
15 is, even if it were just at a tentative level, the
16 Chinese, just as we do, know that this is going to
17 involve governments and they would have talked -- let
18 us say this equipment wasn't going to come from any
19 Canadian source, it was destined for the United
20 Nations, it is a United Nations matter. They know that
21 we are interested. It would have come back because
22 they would want more information.

23 45145 The more vague -- indeed, this is my
24 guess, Mr. Commissioner, if I may. I am just thinking
25 out loud.

1 45146 But I would say the more vague it
2 was, the more questions they would have had.

3 45147 MR. ROITENBERG: If I could direct
4 you back to Tab 3, October 5th, 1430 hours, meeting
5 with Liu Huaqiu.

6 45148 Were you present --

7 45149 MR. BILD: October 5, yes.

8 45150 MR. ROITENBERG: October 5. You told
9 us earlier --

10 45151 MR. BILD: Yes.

11 45152 MR. ROITENBERG: -- I believe that
12 you were present.

13 45153 MR. BILD: That's right. Yes.

14 45154 MR. ROITENBERG: Do you recall
15 anything being discussed at that meeting as to light
16 armoured vehicles, United Nations or peacekeeping
17 concerns?

18 45155 MR. BILD: Nothing whatever.

19 45156 MR. ROITENBERG: Liu Huaqiu was known
20 to you, sir?

21 45157 MR. BILD: Pardon?

22 45158 MR. ROITENBERG: Liu Huaqiu was known
23 to you?

24 45159 MR. BILD: Liu Huaqiu was the person
25 with whom I had the most frequent contact in China. He

1 was the Vice-Minister of Foreign Affairs in charge of
2 North America. That is just the United States and
3 Canada.

4 45160 I would go and see him at a minimum
5 once a week or he would call me in.

6 45161 He was not always an easy person to
7 deal with, but we were very, very good friends and we
8 knew each other well. Subsequently, even after I was
9 retired and he came to Canada, he would come and look
10 me up.

11 45162 No, we discussed -- the whole group
12 was there and we discussed how the series of meetings
13 would go, how the delegation would be received and who
14 would be receiving them and what subjects they were
15 going to discuss.

16 45163 MR. ROITENBERG: Is he still alive,
17 sir?

18 45164 MR. BILD: Oh, yes. But I think he
19 is retired now.

20 45165 MR. ROITENBERG: At 1815 hours there
21 was a meeting and banquet hosted by His Excellency Zhu
22 Ronji. Yes...?

23 45166 MR. BILD: That's right. I was
24 there.

25 45167 MR. ROITENBERG: You were present?

1 45168 MR. BILD: Yes, of course.

2 45169 MR. ROITENBERG: Do you recall at
3 that dinner there being any discussion whatsoever about
4 UN related issues, peacekeeping or light armoured
5 vehicles?

6 45170 MR. BILD: No. You mustn't get the
7 impression of a Chinese banquet as a sort of a jovial
8 dinner the way we have here in Canada where people hang
9 around and have a good time and refurbish their
10 friendship or relationship.

11 45171 The Chinese see it that way, but it
12 is much, much more formal.

13 45172 For one thing, this was in The Great
14 Hall of the People, but you know, The Great Hall of the
15 People can seat 3,000 people at dinner. We didn't have
16 it in The Great Hall where the Peoples Congress meets.
17 It was in one of the smaller halls. I don't think
18 there were more than 30 or 40 people there.

19 45173 And I didn't hear all conversations,
20 of course not. But I was not aware of any serious
21 conversation of any sort going on, except at one point
22 when Mr. Mulroney went on at some length about
23 different appointments he had made during his career
24 here in Ottawa. But that has nothing to do with the
25 subject under discussion here.

1 45174 I could not hear everything that was
2 said. If my memory serves me right, Mr. Mulroney was
3 sitting at the right of Zhu Ronji. The other most
4 important Canadian in that group was sitting on his
5 left, and I was just sitting beyond them.

6 45175 There was an interpreter behind us,
7 behind each one of -- not each one of us, but behind
8 each pair.

9 45176 MR. ROITENBERG: And again you said
10 that you didn't hear everything, but what you did hear
11 you didn't hear conversation touching on those topics?

12 45177 MR. BILD: No.

13 45178 MR. ROITENBERG: Were either of these
14 people, that is Zhu Ronji or Liu Huaqiu -- is it Liu
15 Huaqiu?

16 45179 MR. BILD: Liu Huaqiu.

17 45180 MR. ROITENBERG: Liu Huaqiu. Were
18 either of them involved in any of the meetings that
19 took place in January of 2004?

20 45181 MR. BILD: Yes. There you can -- if
21 you go to Tab 2 where my -- there was a dinner offered
22 by Liu Huaqiu at the Diaoyutai Guest House, which is a
23 state guest house of China, and I remember that one
24 quite well.

25 45182 There were maybe 20 or 25 people

1 present at that dinner.

2 45183 There was -- Zhu Ronji did not
3 receive them on that occasion, as I see, but they were
4 received by -- no, I'm sorry.

5 45184 MR. ROITENBERG: Maybe if I asked you
6 to go to 1600 -- excuse me, 1800 hours on January 19th,
7 that might assist you.

8 45185 MR. BILD: 1800, yes. That was good.
9 That was a dinner given by Liu Huaqiu.

10 45186 But what I don't see in my own
11 program here is a meeting with Zhu Ronji, whereas my
12 diary does contain an entry that Zhu Ronji received him
13 very warmly. So there must have been a meeting which
14 for some reason was not noted in my program.

15 45187 MR. ROITENBERG: Maybe it occurred
16 but it was not --

17 45188 MR. BILD: It occurred or a may have
18 been --

19 45189 MR. ROITENBERG: -- something that
20 Mr. --

21 45190 MR. BILD: It may have been a
22 spontaneous thing which was not registered on this
23 program.

24 45191 MR. ROITENBERG: But you recall
25 contact occurring between both Zhu Ronji and Liu Huaqiu

1 and Mr. Mulroney?

2 45192 MR. BILD: Definitely.

3 45193 MR. ROITENBERG: Now, if I could just
4 take you back for a moment to that dinner on October
5 the 5th, do you recall whether there was a meeting that
6 preceded the banquet that evening?

7 45194 MR. BILD: No. I do -- well, these
8 banquets, the main guests, the guest of honour, the
9 major guests are usually invited into a separate room
10 about a quarter of an hour beforehand where they have
11 chats, yes. You sit around and chat.

12 45195 It sounds very informal the way I
13 describe it. It is not nearly as informal as we would
14 do it, where we would sit around -- we would stand
15 around perhaps with drinks and discuss anything under
16 the sun.

17 45196 There you usually sit down in two
18 rows around -- in a semicircle around the two main
19 hosts, the host and the main guest, and you may indeed
20 talk business. But if you talk business, it is heard
21 by everybody there.

22 45197 MR. ROITENBERG: Were you present at
23 that gathering?

24 45198 MR. BILD: Yes, of course. Of
25 course.

1 45199 MR. ROITENBERG: Thank you very much,
2 sir. Those are my questions of you. I believe others
3 may have some.

4 45200 COMMISSIONER OLIPHANT: Just before
5 that occurs, if it does, I just want to clarify
6 something to make sure I understood something you said.

7 45201 Did I hear you correctly, Mr. Bild,
8 to say that had Mr. Mulroney discussed peacekeeping
9 issues with the Chinese that you would have heard about
10 this from the Chinese at some time subsequent to the
11 discussion?

12 45202 MR. BILD: Most likely.

13 45203 COMMISSIONER OLIPHANT: Most likely?

14 45204 MR. BILD: Most likely. It's not --
15 I can't say that it is an absolute certainty because
16 there is no compulsion for them to do so.

17 45205 COMMISSIONER OLIPHANT: No.

18 45206 MR. BILD: But judging by my whole
19 experience, that is what would have happened.

20 45207 COMMISSIONER OLIPHANT: And you heard
21 nothing from the Chinese --

22 45208 MR. BILD: Nothing whatever.

23 45209 COMMISSIONER OLIPHANT: -- about it?

24 45210 MR. BILD: And anything, even if word
25 of these things comes back to us, they don't

1 necessarily come back to me. They come back to the
2 embassy.

3 45211 But if anything like that had come
4 back to the embassy, I would know about it immediately
5 because, as I explained before, it would have caused us
6 all kinds of turmoil.

7 45212 COMMISSIONER OLIPHANT: Okay. Thank
8 you.

9 45213 Mr. Pratte...?

10 45214 MR. PRATTE: Thank you.

11 EXAMINATION: FRED BILD BY MR. PRATTE /

12 INTERROGATOIRE : FRED BILD PAR Me PRATTE

13 45215 MR. PRATTE: My name is Guy Pratte.

14 45216 MR. BILD: Hello.

15 45217 MR. PRATTE: I represent
16 Mr. Mulroney.

17 45218 You said I think on the second visit
18 in January '94, Mr. Zhu Ronji received Mr. Mulroney
19 quite warmly.

20 45219 MR. BILD: Yes, indeed.

21 45220 MR. PRATTE: Did I understand?

22 45221 They had a good relationship, didn't
23 they?

24 45222 MR. BILD: I think so, yes indeed.

25 Mr. Mulroney was very pleased to see Mr. -- I'm sorry,

1 Mr. Zhu Ronji was very pleased to see Mr. Mulroney.

2 45223 MR. PRATTE: They had met sometime
3 before these trips in '93 and '94.

4 45224 MR. BILD: They had met in '93, in
5 the October '93 visit, yes.

6 45225 MR. PRATTE: They had never met
7 before?

8 45226 MR. BILD: I don't know about that.
9 I heard Mr. Mulroney testify that he had met him here
10 and that is -- I have no reason to doubt that. That
11 was when Mr. Zhu Ronji had just been appointed
12 Vice-Premier.

13 45227 And I seem to be trying to take
14 credit for everything Mr. Mulroney was taking credit
15 for, but I have to underline that that meeting, that
16 visit, was one that we at the embassy arranged for
17 Mr. Zhu Ronji. It was quite a precedent because until
18 that time, until that moment in 1992 when Zhu Ronji
19 went to Canada, we had kept China in the doghouse.
20 There were no meetings at any senior level.

21 45228 MR. PRATTE: Let me understand,
22 though, that at least from your observations, sir,
23 Mr. Mulroney and Mr. Zhu Ronji appeared to have a good
24 relationship?

25 45229 MR. BILD: Yes, especially, as I made

1 mention in my diary, especially in contrast to the
2 reception he received from Li Peng, who was then the
3 Prime Minister, which I thought was very cold.

4 45230 MR. PRATTE: Now you said you didn't
5 hear everything that might have been said, and I thank
6 you for that, sir.

7 45231 If there had been a conversation, a
8 brief conversation between Mr. Mulroney and Zhu Ronji,
9 for example, at a conceptual level, possibly involving
10 peacekeeping and UN and its role on standardization and
11 Mr. Mulroney had said to Zhu Ronji, well, look, I am
12 really at the embryonic stage of this, nothing can
13 happen for some time to come, I am acting for a private
14 client so I would like you to keep it private for now,
15 is there any rule that would require Zhu Ronji to
16 advise anybody?

17 45232 MR. BILD: No, but -- no, there is no
18 rule of course -- but yes, actually I would like to
19 amend that.

20 45233 There is no rule such as we
21 understand it. But in fact if something like that was
22 raised with Mr. Zhu Ronji, who was an old Party member
23 who was trained in the Chinese Communist Party way of
24 recording the business he does, no matter how -- no
25 matter how theoretical an approach, he would note it

1 down, or one of his staff would note it down somewhere,
2 and it would have to be raised within some of the
3 hierarchy in China.

4 45234 There is no rule that said they have
5 to raise it with us, that's certain.

6 45235 MR. PRATTE: And if Mr. Mulroney
7 asked him to keep it private, are you suggesting that
8 he might not have agreed to that request?

9 45236 MR. BILD: There is no such thing as
10 private when you are talking to a Vice-Premier.

11 45237 MR. PRATTE: Are you saying that
12 everything that they talk about becomes public, sir?

13 45238 MR. BILD: If it's an issue which is
14 going -- especially as this was going to affect -- at a
15 minimum it's going to affect the Chinese economy or
16 China's relationship with the UN. It is not a private
17 matter. At a minimum.

18 45239 MR. PRATTE: Thank you, sir.

19 45240 COMMISSIONER OLIPHANT: Mr.
20 Houston...?

21 45241 MR. HOUSTON: No questions. Thank
22 you, sir.

23 45242 COMMISSIONER OLIPHANT: Mr. Auger...?

24 EXAMINATION: FRED BILD BY MR. AUGER /

25 INTERROGATOIRE : FRED BILD PAR Me AUGER

1 45243 MR. AUGER: Good morning, sir. My
2 name is Richard Auger and I represent Mr. Schreiber. I
3 have just a couple of brief questions.
4 45244 If I can ask you to turn to Tab 4,
5 please.
6 45245 MR. BILD: Tab 4?
7 45246 MR. AUGER: Yes, of Exhibit P-61
8 before you.
9 45247 MR. BILD: Page...?
10 45248 MR. AUGER: I was just asked to keep
11 my voice up.
12 45249 If you could please turn to page 451.
13 45250 MR. BILD: Yes.
14 45251 MR. AUGER: You are familiar with
15 this Globe and Mail document?
16 45252 MR. BILD: Yes, I am.
17 45253 MR. AUGER: You were quoted in the
18 Globe and Mail?
19 45254 MR. BILD: Yes, that's true.
20 45255 MR. AUGER: This is dated February
21 11, 2008.
22 45256 MR. BILD: That's right.
23 45257 MR. AUGER: The middle of the page
24 one quote by you:
25 "'I would have got wind of it,'

1 Mr. Bild said, explaining that a
2 former Canadian leader would
3 know to consult with the embassy
4 and the department of Foreign
5 Affairs about a potential export
6 as sensitive as a military
7 vehicle."

8 45258 Did I read that correctly?

9 45259 MR. BILD: That's right.

10 45260 MR. AUGER: And the part that you
11 were quoted, is that an accurate quote by you?

12 45261 MR. BILD: That I would have got wind
13 of it?

14 45262 MR. AUGER: Right.

15 45263 MR. BILD: Where is it? At what
16 level of the page?

17 45264 MR. AUGER: In the middle of the page
18 there is a quote. It says
19 "'I would have got wind of it,'
20 Mr. Bild said..."

21 45265 MR. BILD: Yes, okay. Yes. I am
22 convinced of that.

23 45266 MR. AUGER: That is an accurate quote
24 by you?

25 45267 MR. BILD: Yes.

1 45268 MR. AUGER: And if I can just
2 continue, there is a further quote:
3 "There is no record, any record
4 of any kind of his having come
5 to discuss it with the
6 embassy.'"
7 45269 MR. BILD: That's right.
8 45270 MR. AUGER:
9 "And if it was for
10 peacekeeping, then all the more
11 reason he should have discussed
12 it with us, because we would
13 have developed approaches for
14 him. We would have had
15 meetings, we would have arranged
16 meetings for him with those
17 parts of government which deal
18 with China's contributions to
19 the UN efforts,' he said."
20 45271 Did I read that accurately?
21 45272 MR. BILD: Accurately.
22 45273 MR. AUGER: And you were accurately
23 quoted in this newspaper article by the Globe and Mail?
24 45274 MR. BILD: Absolutely.
25 45275 MR. AUGER: And is that a view that

1 you still maintain?

2 45276 MR. BILD: Certainly. Certainly.

3 45277 MR. AUGER: There is another quote,
4 just the next paragraph, sir:

5 "'I can think of no reasons why
6 he wouldn't come and see us;
7 indeed, why he wouldn't even
8 come and see us first. Because,
9 you know, those are highly
10 political subjects. You don't
11 go and peddle that through some
12 corner store agent.'" "

13 45278 Did I read that correctly?

14 45279 MR. BILD: I'm not sure about the
15 "corner store agent", but the sense of it is right.

16 45280 MR. AUGER: And have you this morning
17 explained the reasons for that view held by you to the
18 Commissioner?

19 45281 MR. BILD: I think I have. I think I
20 have tried to make it clear that the subject would have
21 created a precedent in our relations with China, a new
22 attitude on the part of the Chinese as regards UN
23 peacekeeping, and therefore it would have made waves
24 and we would have heard about it and he should have
25 come to talk -- he should, first of all, have talked to

1 Foreign Affairs next door and then he should have
2 talked to us about it at the embassy.

3 45282 That is the normal way these things
4 are done, whether it is by private individuals or
5 government officials.

6 45283 MR. AUGER: If I can just ask you,
7 sir, to go to the bottom of the page, from the bottom,
8 in the second paragraph from the bottom there is
9 another quote:

10 "As a recently retired prime
11 minister who has imposed
12 sanctions on China, I can't see
13 myself ... going to China,
14 making representations to break
15 those very sanctions which are
16 still in effect. I can't see
17 that,' Mr. Bild said."

18 45284 Is that an accurate quote by you?

19 45285 MR. BILD: That is an accurate quote,
20 and you have to remember that at the time there was
21 talk of sales, including sales of equipment to China
22 for Chinese purposes, not just for UN purposes.

23 45286 MR. AUGER: In terms of what you
24 maintain in the quote I just read to you, have you
25 provided to the Commissioner today your reasons for

1 that view?

2 45287 MR. BILD: I think so.

3 45288 MR. AUGER: Are there any additional

4 reasons that you can offer to the Commissioner as to

5 that view?

6 45289 MR. BILD: No, none that I can think

7 of.

8 45290 MR. AUGER: Thank you, sir. Those

9 are my questions.

10 45291 Thank you, Commissioner.

11 45292 COMMISSIONER OLIPHANT: Mr. Vickery,

12 I left you until last assuming that you may represent

13 Mr. Bild. I'm not sure that you do.

14 45293 MR. VICKERY: Yes, we do.

15 45294 COMMISSIONER OLIPHANT: All right.

16 Do you have any questions?

17 45295 MR. VICKERY: And I have no

18 questions, no.

19 45296 COMMISSIONER OLIPHANT: No questions.

20 45297 Re-examination, Mr. Roitenberg?

21 45298 MR. ROITENBERG: No thank you,

22 Mr. Commissioner.

23 45299 COMMISSIONER OLIPHANT: Any reason

24 why we can't excuse Mr. Bild?

25 45300 MR. ROITENBERG: None whatsoever.

1 45301 COMMISSIONER OLIPHANT: Mr. Bild,
2 thank you very much, sir, for coming. Your assistance
3 is appreciated.

4 45302 I also appreciated your anecdotes.
5 You have had a very interesting life and a life of long
6 service to Canada and Canadians. I thank you for that.

7 45303 MR. BILD: Thank you. It was an
8 honour and a privilege for me, Mr. Commissioner.

9 45304 COMMISSIONER OLIPHANT: Good
10 afternoon, sir.

11 45305 MR. BILD: Good afternoon.

12 45306 COMMISSIONER OLIPHANT: Mr.
13 Wolson...?

14 45307 MR. WOLSON: Mr. Commissioner, that
15 concludes the evidence that we were going to call
16 today. We may be very close to the end of calling
17 evidence on Part 1, but we are reserving the 3rd of
18 June.

19 45308 At that time, as well, we have a
20 number of exhibits that have been marked for
21 identification. I have asked all counsel to look at
22 those exhibits because I would propose to tender them
23 in the cause, but we can defer that until the 3rd of
24 June when all counsel have had an opportunity to
25 consider the matter.

1 45309 We will also contact counsel for a
2 witness whose document may be an exhibit for
3 identification only before we deal with that as well.

4 45310 So with all that said, we have two
5 dates before you: the 3rd of June, and I have dealt
6 with that earlier; and then argument by the parties.

7 45311 As you know, Commission counsel is
8 not making an argument. So the dates are reserved, I
9 think the 11th and 12th of June for submissions by
10 counsel -- 10th and 11th Mr. Roitenberg tells me, 10th
11 and 11th of June.

12 45312 Perhaps on the 3rd I will make a
13 further statement that I want to make, but I think I
14 should do that at the conclusion of evidence.

15 45313 COMMISSIONER OLIPHANT: All right.

16 45314 Is there anything that any counsel
17 wishes to say before we break for today?

18 45315 Mr. Vickery...?

19 45316 MR. VICKERY: Thank you,
20 Mr. Commissioner.

21 45317 I simply wanted to remind you that I
22 am obliged to be before another court on the 3rd.

23 45318 COMMISSIONER OLIPHANT: Yes.

24 45319 MR. VICKERY: Mr. Landry and the
25 others will be here.

1 45320 COMMISSIONER OLIPHANT: Okay.

2 45321 MR. VICKERY: It may be in certain
3 circumstances that we would be compelled to seek an
4 adjournment to a later date, if matters arose which we
5 felt required my presence. I just wanted to point that
6 out.

7 45322 COMMISSIONER OLIPHANT: I hear you
8 and I understand what you are saying, and I thank you
9 for that, sir.

10 45323 MR. VICKERY: Thank you.

11 45324 COMMISSIONER OLIPHANT: Mr. Pratte,
12 is there anything that you wish to say before we leave
13 for the day?

14 45325 MR PRATTE: No.

15 45326 COMMISSIONER OLIPHANT: Mr. Houston,
16 anything that you would like to say before you get onto
17 the golf course?

18 45327 MR. HOUSTON: No, thank you, sir.

19 45328 COMMISSIONER OLIPHANT: Okay.

20 45329 Mr. Auger...?

21 45330 MR. AUGER: No, thank you,
22 Commissioner.

23 45331 COMMISSIONER OLIPHANT: All right.

24 45332 We will break then for today. I
25 think that this was the day scheduled to complete the

1 evidence, and I am very pleased that that has occurred.

2 I will leave it at that.

3 45333 I will see all of you back here on
4 June the 3rd, except for Mr. Vickery who may be
5 elsewhere, at 9:30 in the morning.

6 45334 Good afternoon.

7 --- Whereupon the hearing adjourned at 12:12 p.m.,
8 to resume on Wednesday, June 3, 2009 at 9:30 a.m. /
9 L'audience est ajournée à 12 h 12, pour reprendre
10 le mercredi 3 juin 2009 à 09 h 30

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24 We hereby certify that we have accurately

25 transcribed the foregoing to the best of

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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

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