

**IN THE MATTER OF ORDER IN COUNCIL P.C. 2008-1092,
MADE PURSUANT TO PART I OF THE *INQUIRIES ACT*:
COMMISSION OF INQUIRY INTO CERTAIN ALLEGATIONS
RESPECTING BUSINESS DEALINGS AND FINANCIAL
DEALINGS BETWEEN KARLHEINZ SCHREIBER AND THE
RIGHT HONOURABLE BRIAN MULRONEY**

ADDITIONAL DOCUMENTS

**EXAMINATION OF
THE RIGHT HONOURABLE BRIAN MULRONEY**

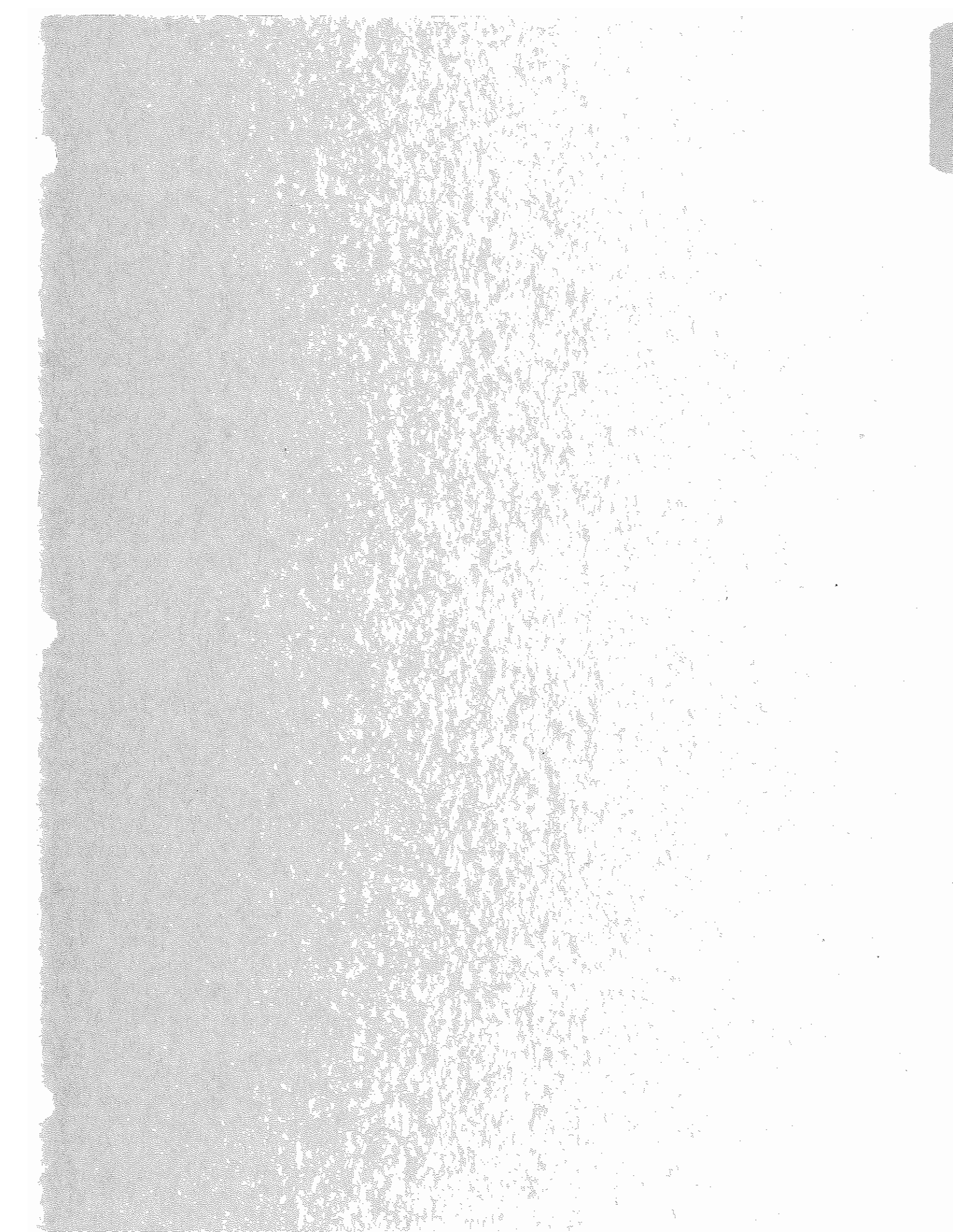
**Additional Documents in support of the testimony
of The Rt. Hon. Brian Mulroney**

THE RIGHT HONORABLE BRIAN MULRONEY

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3.	August 26, 1993 Thyssen Henschel TH 495 and TH 495 Infantry Combat Vehicle Brochures
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10.	January 29, 1996 , Declaration précisée, <i>The Rt. Hon. Brian Mulroney v. The Canada (Attorney General) et al.</i> (Kaplan, Exhibit 26 and 26A)
11.	October 6, 1997 , Arbitration award in the matter of the Rt. Hon. Brian Mulroney.
12.	Material relating to Incorporation of Spaghetissimo North America Inc. <ul style="list-style-type: none"> A. November 6, 2007, Corporation Profile Report, Spaghetissimo North America Inc.

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13.	September 29, 1999 , Letter from Gerald Tremblay to J. Phillip Murray, RCMP
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16.	September 9, 2004 , Testimony of Karlheinz Schreiber, <i>R. v. MBB Helicopters Canada</i> , p. 114-116 (Exhibit A)
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Karlheinz Schreiber

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**PRIVATE AND CONFIDENTIAL
FOR HIS EYES ONLY**

18 October 1990

The Hon. Bill McKnight
Minister of National Defence
Room 401
Confederation Building
Ottawa, Ont.
K1A 0A6

Dear Bill:

I have always regarded you as a friend who shares many common friends within the Conservative Party. Therefore, I take the opportunity to write this letter to express some concerns to you on a private basis.

Years ago, we worked hard to elect a Conservative Government in Canada and finally in 1984 and 1988 found success with back to back majority governments under Brian Mulroney. I am very proud that I was able to contribute to this cause. I did this having complete confidence in Brian Mulroney as the leader who would carry Canada into a better future.

As a member of the 1990 Atlantic Bridge Conference this past week in Ottawa, I was amazed how speakers such as Mr. John Godfrey, Dr. Sylvia Ostry, Mr. de Montigny Marchand, and Senator Roch Bolduc, were so frank in their comments on the frustrating situation Canadians are in. Your parliamentary colleague Felix Holtman MP and Senator Guy Charbonneau were also present, and they may have shared this with you already.

The German participants of this meeting find it hard to understand why a country so rich in natural resources can find itself in such a situation.

Karlheinz Schreiber

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FOR HIS EYES ONLY**

The outcome of the Atlantic Bridge Conference was as follows:

1. The dramatic challenges in the world will be economic.
2. These problems cannot be handled by Governments. Governments' role will be only to support industry as the engine of recovery.
3. NATO will continue in a role of keeping the trans-Atlantic Family together and as the key player in UN peace-keeping.
4. Finally, the problems of the environment will also only be solved by private sector activities supported by Government.

What Canada needs is increased business in exports, exports, exports. Not only in natural resources but increasingly in finished products.

The Canada-US Free Trade Agreement secures an open door to the most important market in the world and gives Canada one of the greatest opportunities, so long as we can deliver what that market demands. History will prove the vision of the Mulroney Government in having secured a treaty to guarantee Canada's access to the US market.

Five years ago, the Thyssen Company was ready to extend its activity in North America. In response to solicitation from the Canadian Ambassador to Germany and statements by Federal Government Ministers that Canada was "open for business", it was decided to choose Canada instead of the U.S. as a base for this new activity in North America. The priority activity planned for this new facility was defence production and representatives of the Canadian Government readily argued that under the Canada-United States Defence Production Sharing Agreement a Canadian site would be considered equal to an American site from the perspective of trade in defence goods. Furthermore, Ministers of the Crown specifically cited the Prime Minister's priority to bring new jobs and industrial diversification into Atlantic Canada. This was the main reason that I committed myself to bring this investment to Canada.

As you know, Thyssen is a broadly diversified industrial company with some 136,000 employees worldwide, achieving 2 billion DM in profits last year and an equally strong outlook for this year. In the United States, Thyssen employs some 16,000 persons with two new plants under construction, while in Canada, there are some 2,000 employees, mainly in Ontario.

Karlheinz Schreiber

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I hope you understand that Thyssen does not need an order from DND to survive. What Thyssen does need is a reason to locate its plant for military vehicles and environmental protection technology in Canada. I expect that you may agree it is reasonable that the Americans would find it hard to understand why we want to produce in Canada vehicles for their procurement, when we have not yet received any order from the Canadian DND.

Thyssen does not need grants from the Government, nor does it want to be involved in another industrial tombstone erected at Canadian tax payers expense. What Thyssen needs is a start-up order for 250 Fox armoured personnel vehicles, an order that could be adjustable to the MRCV specifications. Both vehicles are especially well suited to peace-keeping missions due to protection against 7.62mm armour piercing ammunition and the nuclear, biological and chemical (NBC) threat.

I would like to inform you again that the Governments of the United States, United Kingdom, Saudi Arabia, Turkey and France have all petitioned the German Government for supply of the Fox vehicle on an urgent basis from German Army stocks. Delivery of the first thirty vehicles to the U.S. Forces in Saudi Arabia is complete and the result of their performance is very positive.

It surprises me that the Canadian DND has taken no similar action to protect Canadian military personnel stationed in the Gulf. It is also amazing to read today's press accounts that the Canadian Forces had to recover defensive weapons from a museum for deployment on the Naval vessels in the Gulf.

I for one would feel guilty having not done enough to change these problems in shortfalls of equipment capability. You may well imagine how I felt when, in February 1990, I learned from your officials that NBC protection was considered an unnecessary requirement in Canadian armoured vehicles.

Then in trying to help and bring the project forward and bring the necessary equipment to the Canadian Forces, I learned from LGen. David Huddleston:

I "will ruin the reputation of Thyssen within DND completely and end up with nothing".

Karlheinz Schreiber

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When I responded that I felt confused by such a remark, because we were invited by the Canadian Government he said:

"We are the Government".

I then said that Ministers soliciting investment for Canada abroad should explain to investors that Canada has two different Governments. LGen Huddleston's concluding remark was:

"We don't care what *#@^*# Ministers whisper in your ears and cannot deliver later on."

I will try to put this remarks aside as an unpleasant memory.

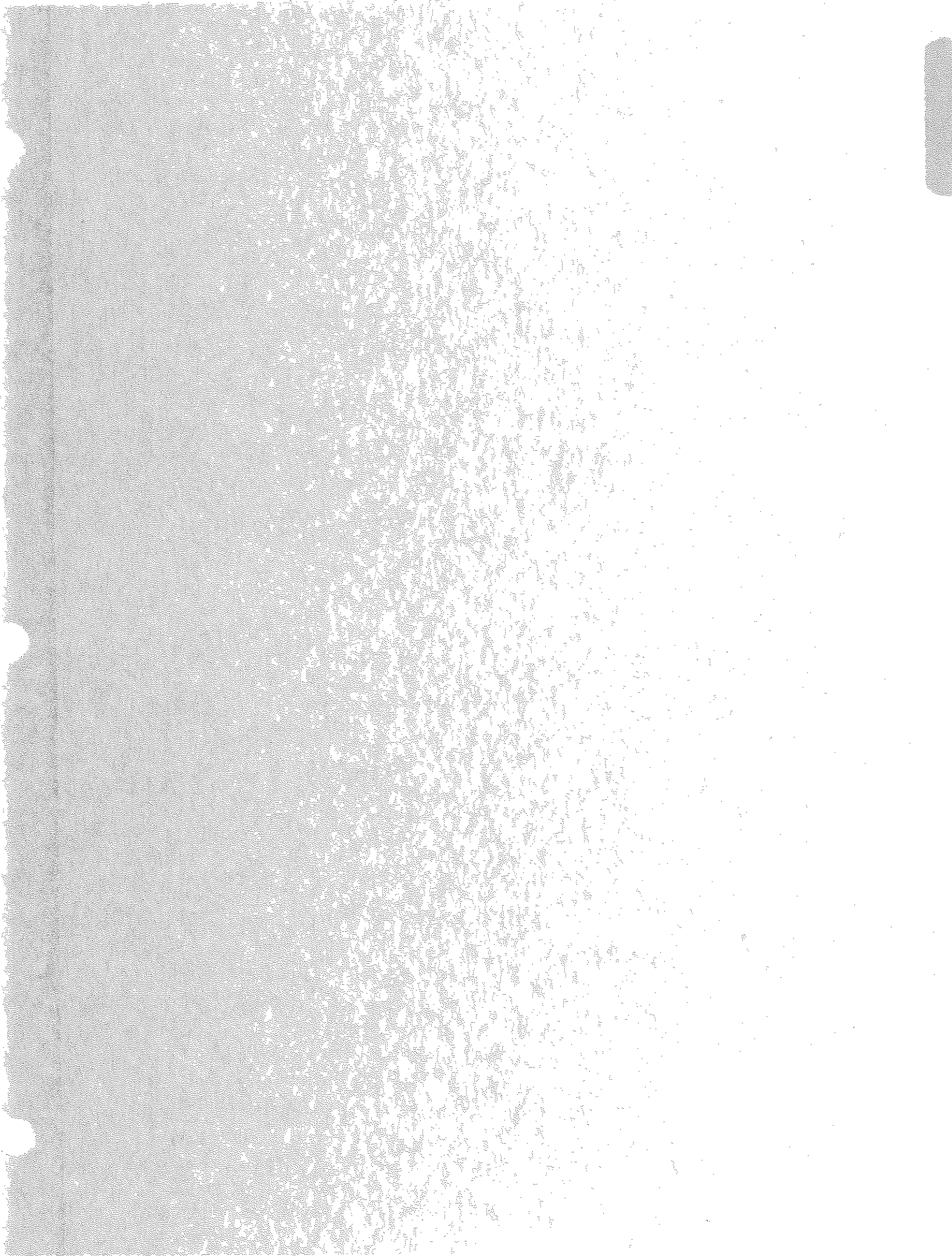
More recently, I learned from you that financing is the only problem that prevents you from equipping your soldiers with a modern vehicle. Thyssen is in a position to explore a variety of financing options which would assist in overcoming the obstacle of near term financial restrictions and I stand ready to help in finding the right solution for DND. In any event, we should do everything we can to give Canadian soldiers proper equipment and at least the same protection as our NATO allies seek for their soldiers.

Furthermore, activation of the Bear Head project will benefit the objectives of the Canadian economy through increased exports to the United States. I can see how, in meeting the primary equipment needs of the Forces, we also can multiply the effect by using the Forces needs to enhance our export position, a result that will help to address critical economic and employment problems all over Canada. Moreover, in exporting a system like this which requires ongoing maintenance, spare part supplies, and upgrading, we stand to create constant economic benefits for Canada of a significant and long term nature. For your interest, I enclose an article by Hyman Solomon which appeared in the Financial Post 10/17/1990, which argues strongly for the need of such linkage between Government and industry.

I stand ready to meet with you at the earliest opportunity to meet this challenge.

Kind personal regards,


Karlheinz Schreiber



REVISED: FEBRUARY 18 - 12:30 p.m.

DAILY SCHEDULE FOR THE PREMIER MINISTER

THURSDAY, FEBRUARY 19, 1987

9:00	Bernard Roy Paul Tellier	307-S
9:30 to 11:30	Cabinet Meeting	323-S
11:35	Bill Attewell, M.P. and Group of 80 Students - Picture and Handshake	Outside 307-S
2:00 to 2:30	Bernard Roy Paul Tellier Dalton Camp	24 Sussex
3:30 to 3:45	His Excellency Eliashiv Ben-Horin, Israeli Ambassador to Canada - Farewell Courtesy Call	24 Sussex

TUESDAY, July 3, 1990

DAILY SCHEDULE

FOR THE PRIME MINISTER

8:30 Breakfast	7 Rideau Gate
9:45 Stanley Hartt Paul Tellier	307-S
10:00 P & P -	323-S
5:00	
5:00 Mtg:Laurier-Sainte-Marie - By-Election	323-S
6:00	
8:00 Chief Justice Lamer - Appointment Ceremony	Rideau Hall
8:20	

WEDNESDAY, April 10, 1991

DAILY SCHEDULE

FOR THE PRIME MINISTER

9:45 Bob Layton Jim Hawkes	307-S
10:00 Caucus	237-C
1:45 Q.P. Briefing	307-S
2:15 Question Period	House
3:00 Picture & Handshake Jean Corbeil (Householder)	Outside 307-S
3:15 André Plourde	307-S
4:00 J.A. Doucet Karlheinz Schreiber Paul Tellier	230-LB

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Date

WEDNESDAY, October 2, 1991

DAILY SCHEDULE

FOR THE PRIME MINISTER

9:45 Mtg: Layton/Hawkes -	307-S
10:00	
10:00 National Caucus -	237-C
12:30	
1:45 Q.P. Briefing	307-S
2:15 Question Period -	House
3:00	
3:00 P&H: Banco Commerciale Italiana - Milano Mr. Mario Arcari Managing Director Mr. Lino Benassi General Manager Mr. Georgio Winteler Chief Manager Intl Credit Mr. Alfonso Lanni Pres. and CEO-Canada Mr. Gerry Doucet Mr. Austin Page	Outside 307-S
3:30 Courtesy Call: Indian - Foreign Minister Solanki	307-S
3:50 High Commissioner Girish Narain Mehra Paul Heinbecker	
4:00 Mtg: Hon. Wilson, Valcourt - Messrs. Spector, Tellier	307-S
4:30 Prosperity Initiative	
5:00 Depart for Montreal	Gatineau Airport

o/n Montreal

*Louis Laizerne
Fonds de Solidarité - 500 \$*

TUESDAY, May 5, 1992

DAILY SCHEDULE

FOR THE PRIME MINISTER

9:45 Mtg: Segal/Tellier -	307-S
10:00	
10:00 P & P -	323-S
12:30	
1:45 Q.P. Briefing	307-S
2:15 Question Period -	House
3:00	
3:05 P&H: National School Safety Patrol Jamboree P&H: Pauline Browes and 45 senior citizens	307-S
3:45 Mtg: Elmer MacKay/ Karlheinz Schreiber	307-S
4:30 Drop-In: UNCED Stake Holders Meeting	Museum of Science & Nature

WEDNESDAY, November 25, 1992

DAILY SCHEDULE

FOR THE PRIME MINISTER

9:00 Private Breakfast
- MacKay/McLaughlin
9:30 MacKay/McLaughlin

24 Sussex

10:00 National Caucus
-

237-C

12:30

12:45 Lunch:
- Ambassador Teeley
1:45 Jim Judd

24 Sussex

THURSDAY, June 3, 1993

DAILY SCHEDULE

FOR THE PRIME MINISTER

9:30 Mtg: Bill McKnight	307-S
-	
9:45	
9:45 Mtg: McLaughlin/Shortliffe	307-S
-	
10:00	
10:00 P & P	323-S
-	
12:30	
1:45 Q.P. Briefing	307-S
2:15 Question Period	House
-	
3:00	
3:10 P&H: 1) Doug Steiner and family	307-S
2) Scheduling: Maria Grant/ Yolande Ouellet/ Carmen Veres/ Ann Walker	
3) Ministerial Tours: Patricia Gratton/ Lynne Martichenko/ Allison Seymour	
4) Major General M.G. Cloutier/ Bill Grossman	
3:30 Mtg: Fred Doucet	307-S
-	
4:00	
4:00 Interview: - Joan Sutton-Strauss	307-S
5:00 (Toronto Star)	
5:15 Interview: - Mark Kennedy	307-S
5:45 (Ottawa Citizen)	
6:00 Reception	Speaker's Dining Room
- Senator Guy Charbonneau	274-F Senate
7:30	
7:30 Mtg: Pierre Blais	307-S

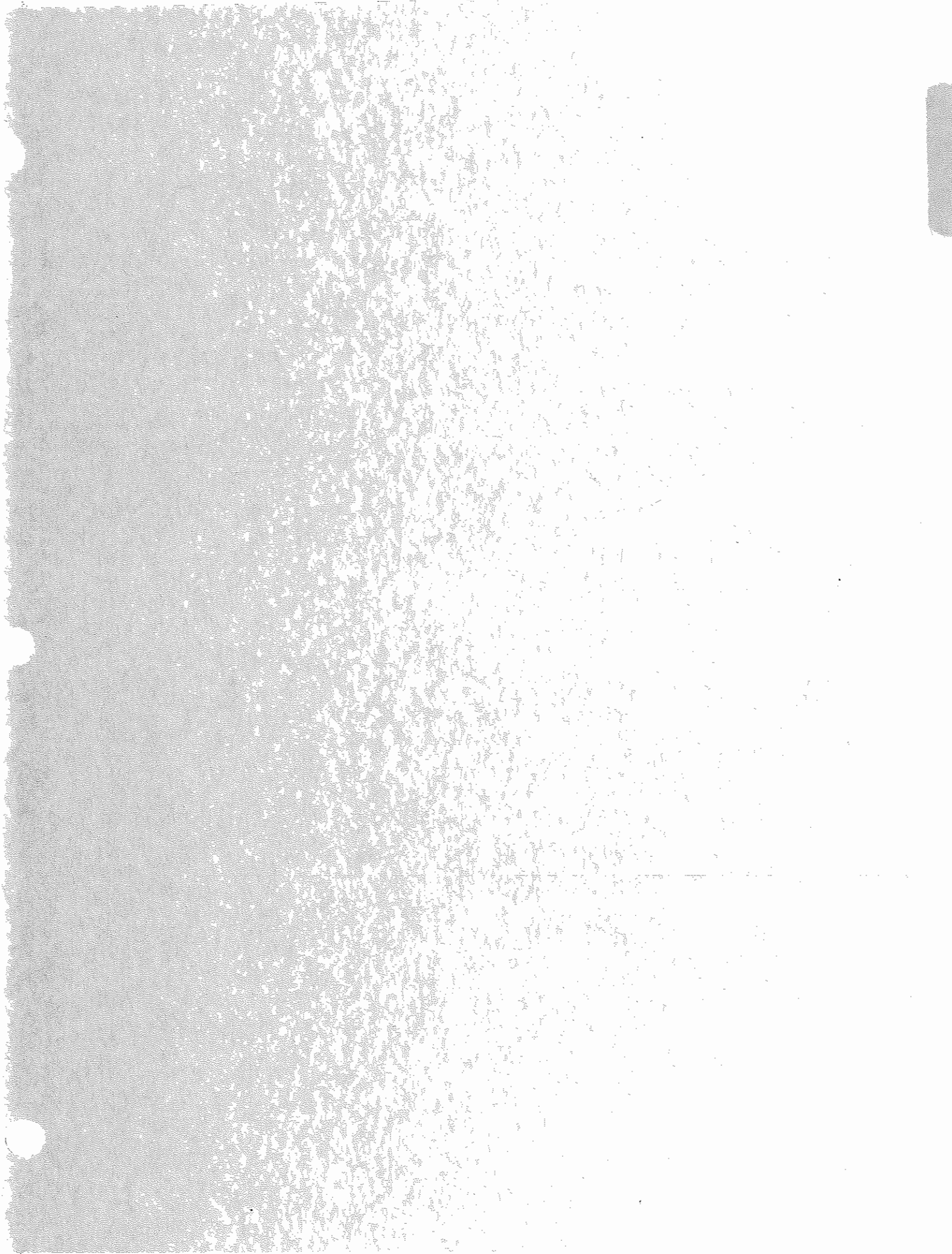
WEDNESDAY, JUNE 23, 1993

DAILY SCHEDULE

FOR THE PRIME MINISTER

As of Tuesday June 22, 1993 5:45 p.m.

11:00 Private Meeting	Harrington
2:00 Mtg:David McLaughlin	Harrington
3:30 Mtg:Senator LeBreton	Harrington
6:00 Video Taping: Rt. Hon. Mazankowski Tribute	Harrington





THYSSEN HENSCHEL

HENSCHEL Defense Technology

TH 495



Armoured Infantry Fighting Vehicle A/FV TH 495

Future changes in the worldwide military situation will necessitate rapid deployment of military forces to promote stability in regional trouble spots more so than ever before. For this purpose, military units need effective weapon systems which can be quickly transported into the operational area by aircraft. The newly developed tracked vehicle family is providing weapon systems of this kind.

Other than the first vehicle of this family – the herein introduced Armoured Infantry Fighting Vehicle – all those variants needed to be part of rapid reaction forces can be manufactured.

The special features of vehicle family TH 495 include:

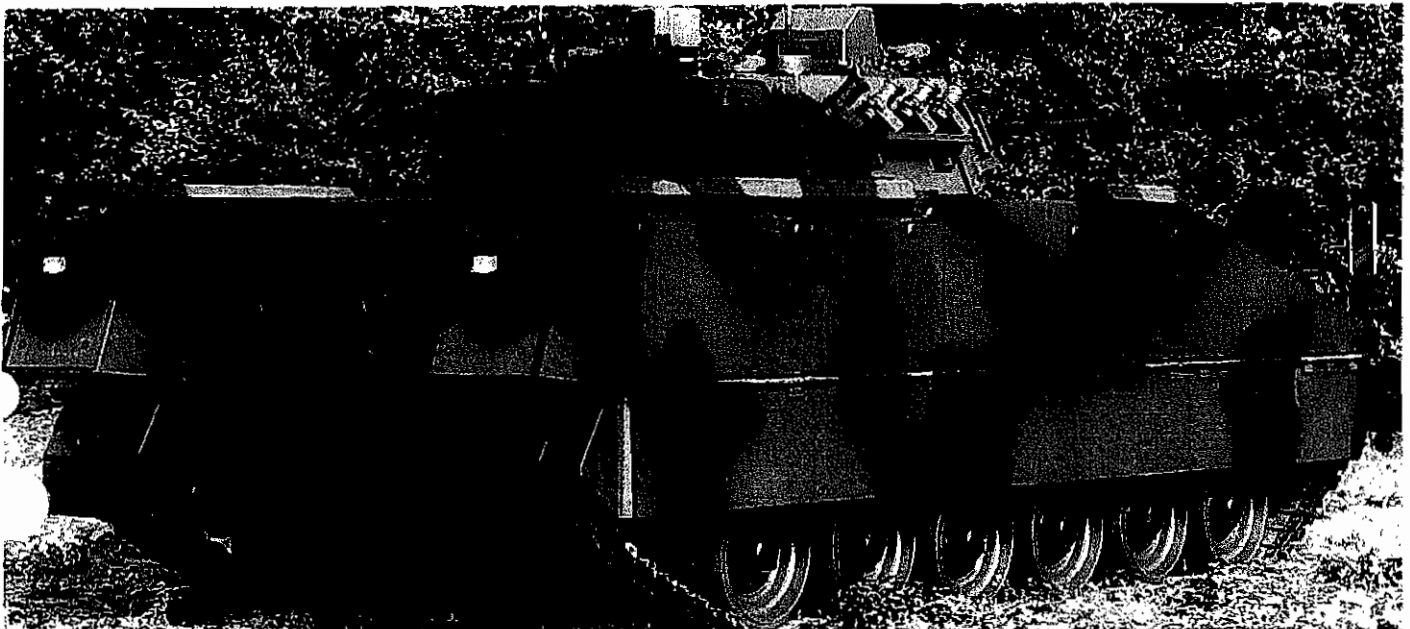
- Airtransportable by C-130 Hercules aircraft upon adjustment
- Variety of configurations that meet common mission requirements
 - Outstanding operational mobility
 - High, all-around crew protection level
- Interchangeable modular add-on armor
 - Extremely low IR and radar signature
- Outstanding ergonomic handling and safety standards
- Growth potential for future systems expansions or improvements

System modularity
concept

Modular design of variants

and commonality of spare
parts implies training, main-
tenance and logistics support,
therefore system cost and

efficiency compares most
favorably with other
systems.



State-of-the-art technology for a state-of-the-art vehicle

Digital on-vehicle electronics, video monitoring for Infantrymen, dual circuit brake system, integral driver station and explosion-proof fuel tanks are only a few examples of latest technology incorporated into the TH 495. The propulsion unit from MTU, the driving and steering gear from ZF and the long-life lightweight track from Diehl are further high-tech system components.

Hull, running gear, optics, NBC and fire protection

The self-contained hull housing is gas-tight and waterproof. The crew area is additionally protected against spalling and ammunition fragments. The power pack is located inside, at the front of the vehicle. The driver's seat is on the left next to the engine. Commander and gunner are located in the turret. The infantry crew compartment is in the rear of the vehicle and is accessed through a divided tailgate.



Crew hatches in the hull roof allow all-around viewing and afford partial armor protection during mounted combat operations. The balanced torsion bar suspension system incorporates shock absorbers and end-stop dampers permitting optimal road wheel travel. The driver can look out through three periscopes, the middle of which can be repl-

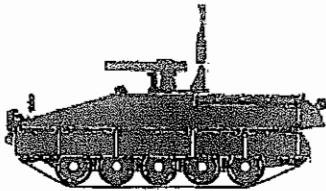
aced by an image intensifying device. Video cameras enable infantrymen to observe the battlefield from inside of the vehicle with the hatches closed. The collective NBC protective ventilation system supplies the interior with clean air. A fire alarm system and fire suppression equipment provides additional crew protection.



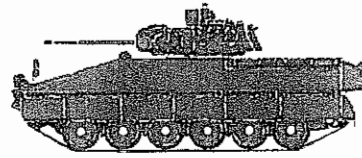
The vehicle family

The Armoured Infantry Fighting Vehicle TH 495 provides the foundation for the new family of tracked vehicles. This A/FV chassis has six road wheels and its crew consists of the commander, gunner and a squad of seven fully equipped infantrymen. It is armed with a internal mounted stabilized 25 mm automatic cannon providing accurate day and night shoot on the move capability. Additional variants for the Rapid Deployment Forces include for instance:

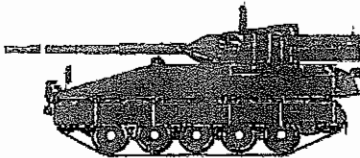
- Infantry Combat Vehicle
- Armored Gun System
- Anti-Aircraft Defense System
- Light Armored Vehicle
- TOW Anti-tank Vehicle
- Command Post Radio vehicle
- Transporter
- Ambulance



STINGER

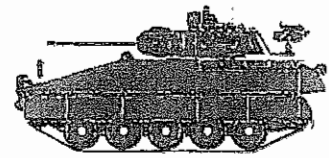


AIFV

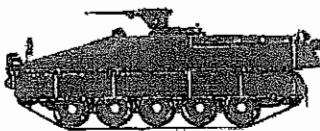


ACV/AGS

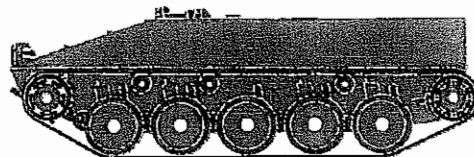
The modular add-on armor plating can be easily and quickly exchanged to adapt to the ballistic protection requirement of each vehicle variant and each enemy threat situation.



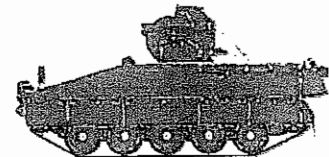
RCV



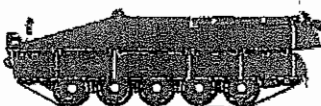
ICV



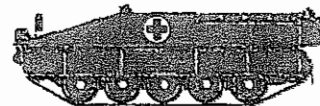
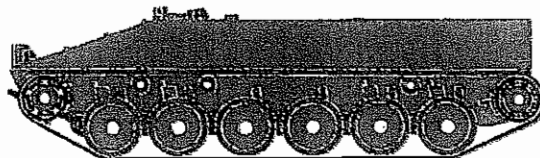
BASIC VEHICLES



TOW

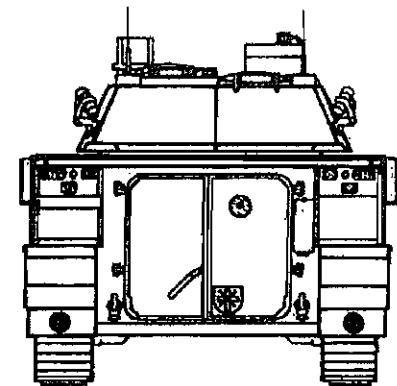
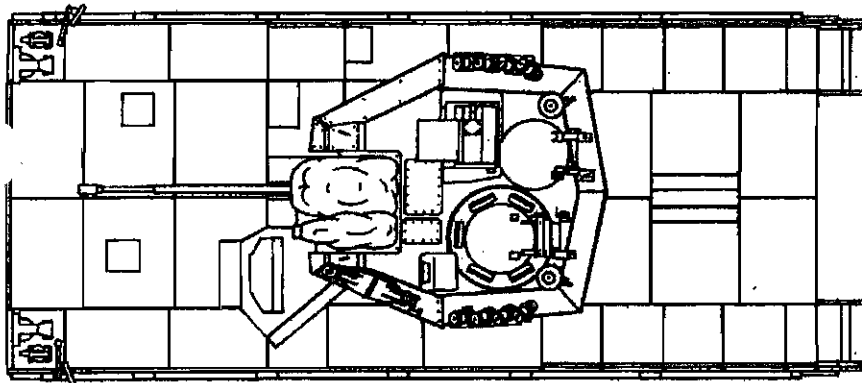
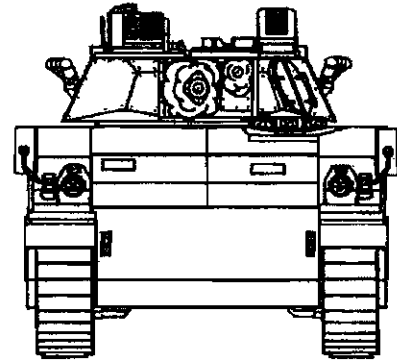
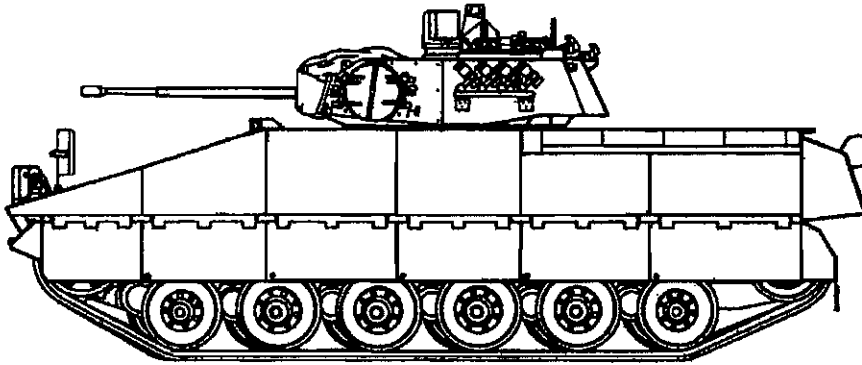


TRANSPORTER



AMBULANCE

Technical Data TH 495



Crew	1 commander, 1 gunner, 1 driver, 7 infantry men
Overall length	6750 mm
Overall width	2840 mm
Overall height	2830 mm
Ground clearance	400 mm
Combat weight	26,0 t (metric)
Engine output	up to ca. 500 kW/680 HP DIN
Power-to-weight ratio	up to ca. 20,0 kW/to./27 HP/to.
Maximum speed	75 km/h
Fuel capacity	630 l
Specific ground pressure	72,7 kPa
Climbability	0,8 m
Trench crossing	2,70 m
Track width	450 mm
Main weapon	25 mm stabilized machine cannon OTO MELARA T 25
Ammunition supply	total 510 rounds
Air transport	C 130 Hercules Aircraft upon adjustment

THYSSEN HENSCHEL
Defense Technology

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HENSCHEL Defense Technology

TH 495

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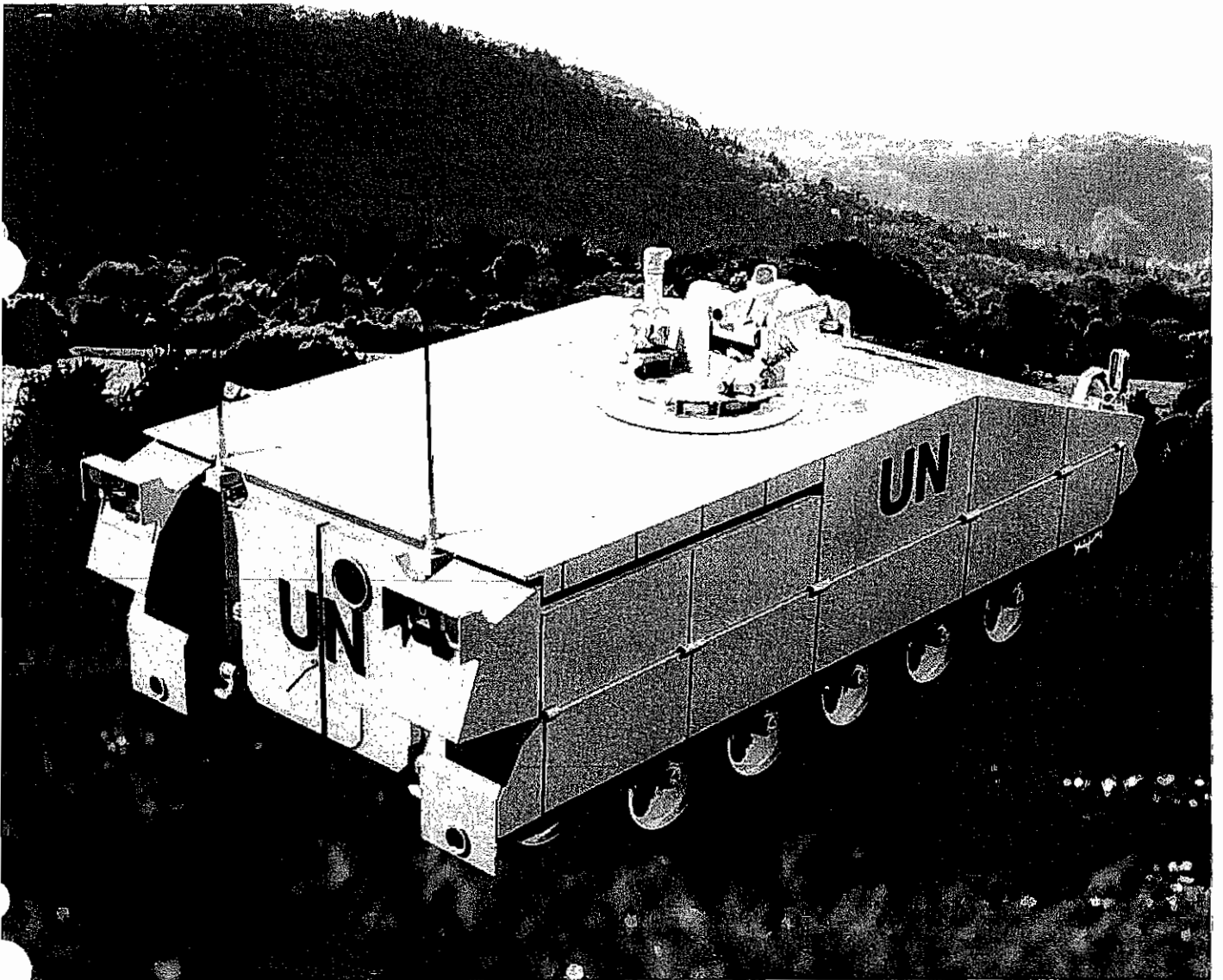
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THYSSEN HENSCHEL

HENSCHEL Defense Technology
TH 495 Infantry Combat Vehicle (ICV)



TH 495 Infantry Combat Vehicle (ICV)

Future changes in the worldwide military situation will necessitate rapid deployment of military forces to consolidate stability in regional trouble spots more so than ever before. For this purpose, military units need effective weapon systems which can be quickly transported by aircraft into the operational area. The newly developed tracked vehicle family is providing weapon systems meeting those specific requirements. The ICV and all associated variants being required by Rapid Reaction Forces can be configured to a 5-Road-Wheel-Chassis.

Special Features of Vehicle Family TH 495

- Air transportable by C-130 HERCULES aircraft (upon adjustment)
- Variety of configurations that meet common mission requirements
 - Outstanding operational mobility
 - High all-around crew protection level
 - Interchangeable modular add-on armor
 - Extremely low IR and radar signature
- Excellent ergonomic handling and safety standards
- Growth potential for future system expansion and improvement

System Modularity Concept

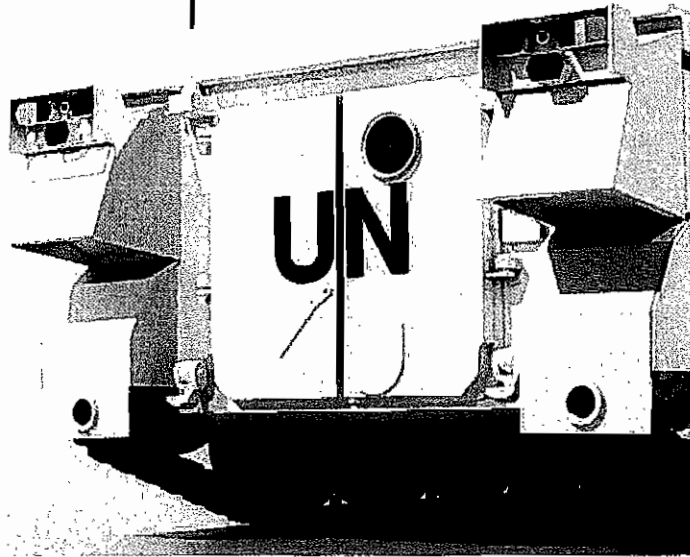
Modular design of variants

and commonality of spare parts simplifies training, maintenance and logistic support, therefore, system cost and

efficiency compares most favorably with other systems.



State-Of-The-Art-Technology for a State-Of-The-Art System



Digital on-vehicle electronics, video monitoring for infantry men, dual circuit brake system, adjustable driver's station and explosion-proof fuel tanks are only a few constituents of High-Tech being incorporated into the TH 495 system. The engine from MTU, transmission from ZF and the long-life light-weight track from DIEHL are further High-Tech Components.

Hull, Suspension, Optics, NBC and Fire Protection

The self-contained hull housing is gas-tight and water-proof. The crew compartment is additionally protected against spalling and ammunition fragments. The power pack is located in the front of the vehicle, driver's station is situated left side next to the engine.

The commander is sitting behind the driver and the gunner is located in the turret. The crew compartment for infantry men is in the rear and can be entered via two outward swinging doors.

Open crew hatches are providing an all-around view and enable the crew to carry out combat operations under partial armored protection.

The weight-balanced suspension system with its support rollers guarantees improved ride conditions cross-country and on road. Vision for the driver is provided by 3 periscopes whereby the middle of

them can be replaced by an image intensifier. Video cameras are enabling the soldiers to monitor the battlefield from the inside while hatches can remain closed. The NBC Protection System supplies the interior with clean air. A Fire Alarm- and Suppression System provides additional crew protection.

The Vehicle Family

The Infantry Combat Vehicle (ICV) is the first one within its family being configured with a 5-Road-Wheel Suspension. Its crew is consisting of:

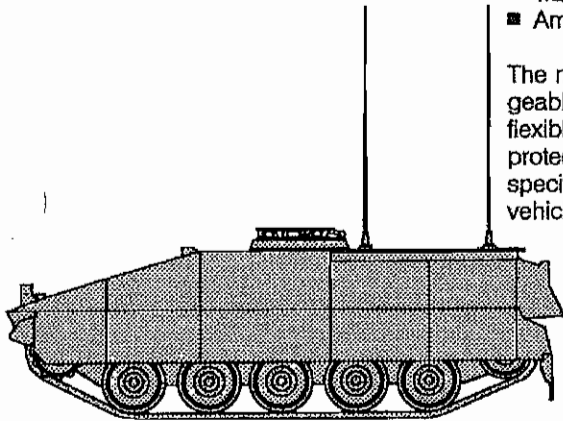
- 1 Driver
- 1 Commander
- 1 Gunner
- Squad of seven infantrymen being fully equipped

The ICV is armed with an external mounted 0.50 Machine Gun.

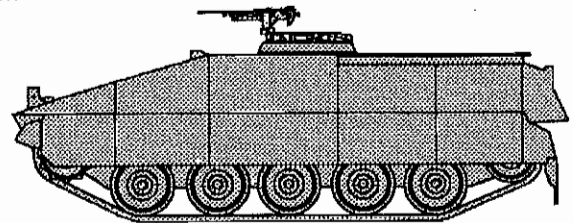
Additional system configurations also being part of Rapid Reaction Forces are:

- Short Range Anti-Aircraft Defense System
- Command Post / Radio vehicle
- Transport Vehicle
- Ambulance Vehicle

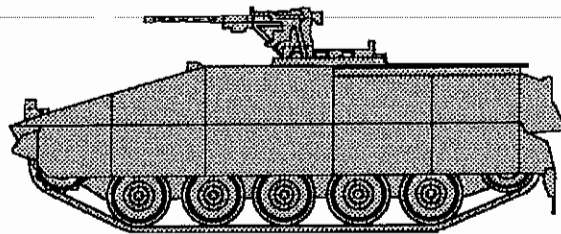
The modular easily exchangeable Add-On Armor allows flexible adaption of ballistic protection to comply with the specific missions of each vehicle.



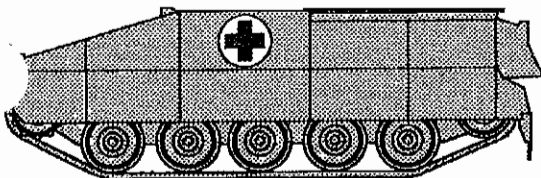
COMMAND VEHICLE



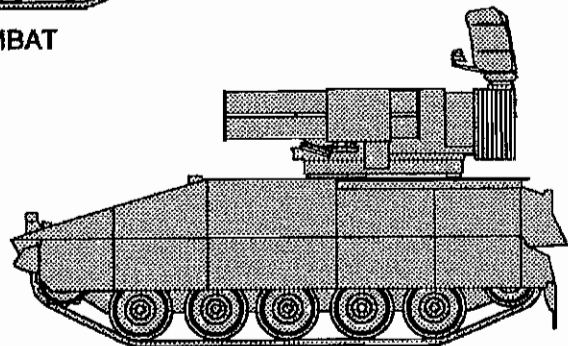
TRANSPORT VEHICLE



INFANTRY COMBAT VEHICLE

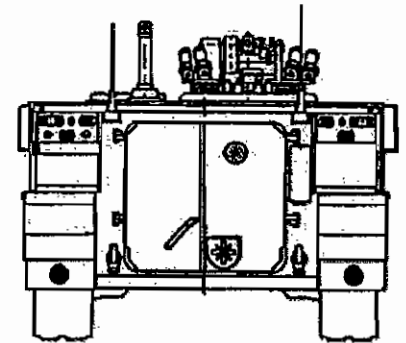
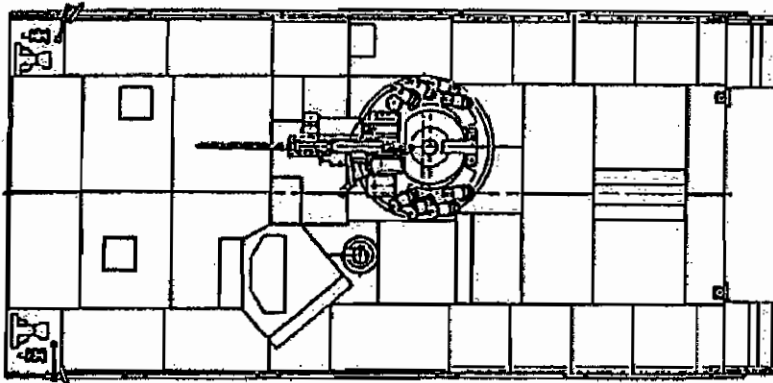
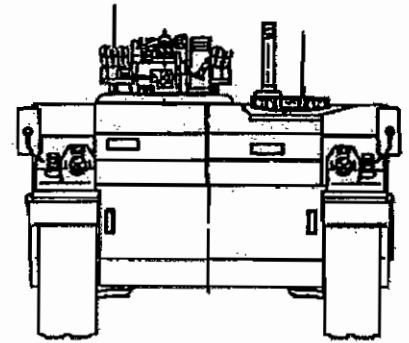
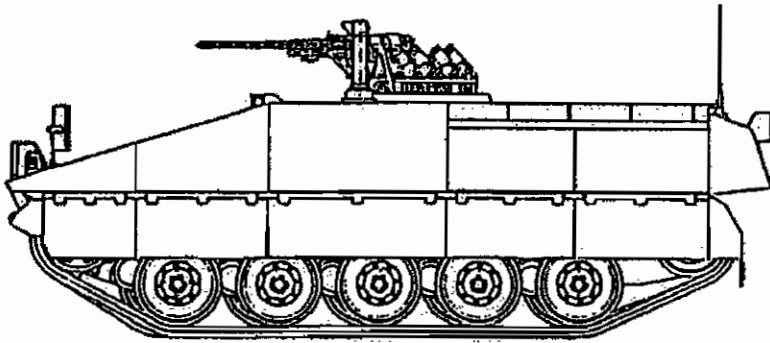


AMBULANCE VEHICLE



SHORT RANGE

Technical Data TH 495 ICV



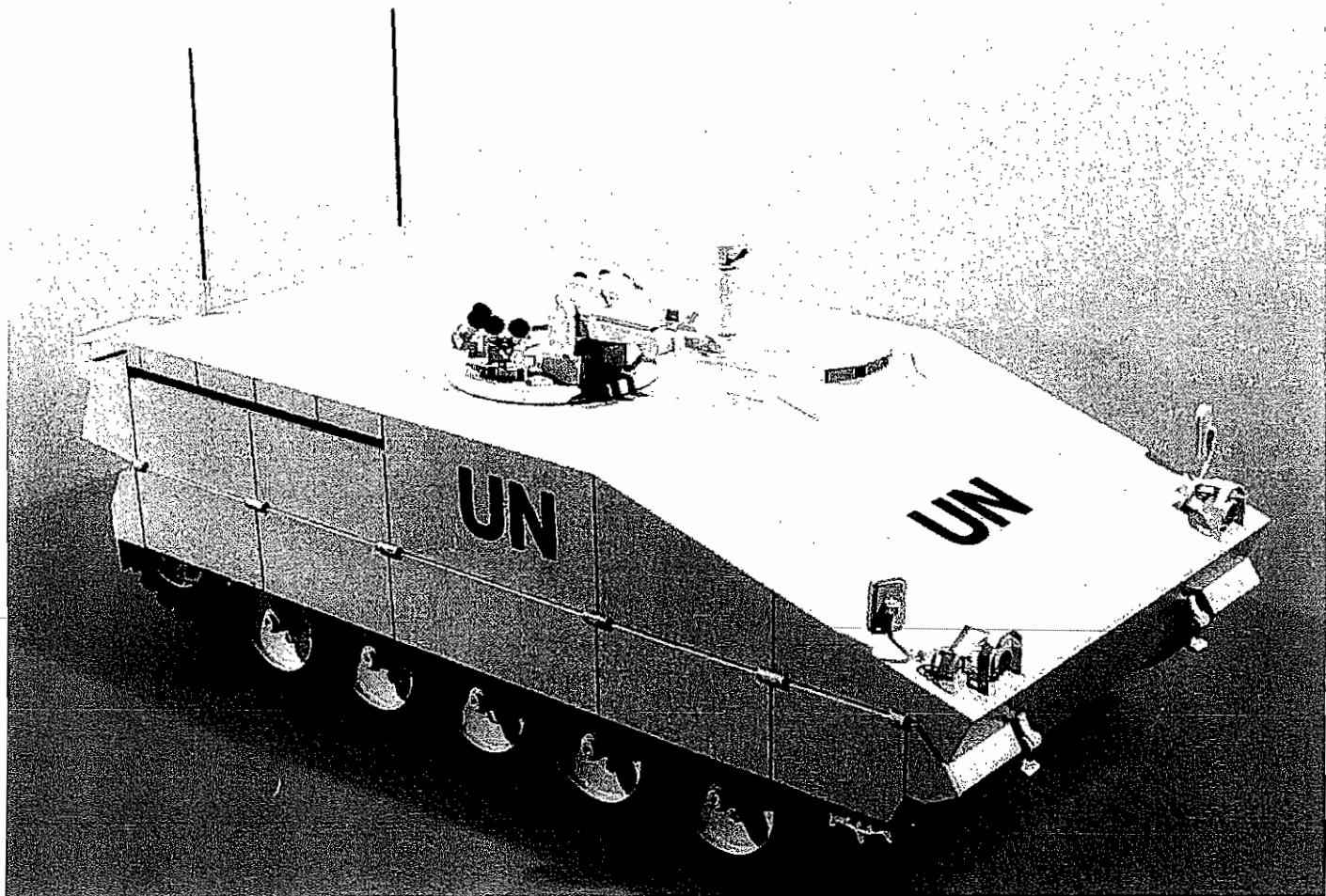
Crew	1 Driver, 1 Commander, 1 Gunner, 7 Infantry men
Overall length	5970 mm
Overall width	2940 mm
Overall height	2390 mm
Ground clearance	400 mm
Combat weight	21,6 t (metric)
Engine output	up to 500 kW/680 HP DIN
Power-to-weight ratio	up to 20,0 kW/to./27,0 HP/t.
Maximum speed	75 km/h / 47 mph
Fuel capacity	510 l
Specific ground pressure	75,5 kPa / 10,9 lbs/sq.inch
Climbability	0,8 m
Trench crossing	2,30 m
Main armament	MG 12,7 mm
Ammunition supply	total 800 rounds

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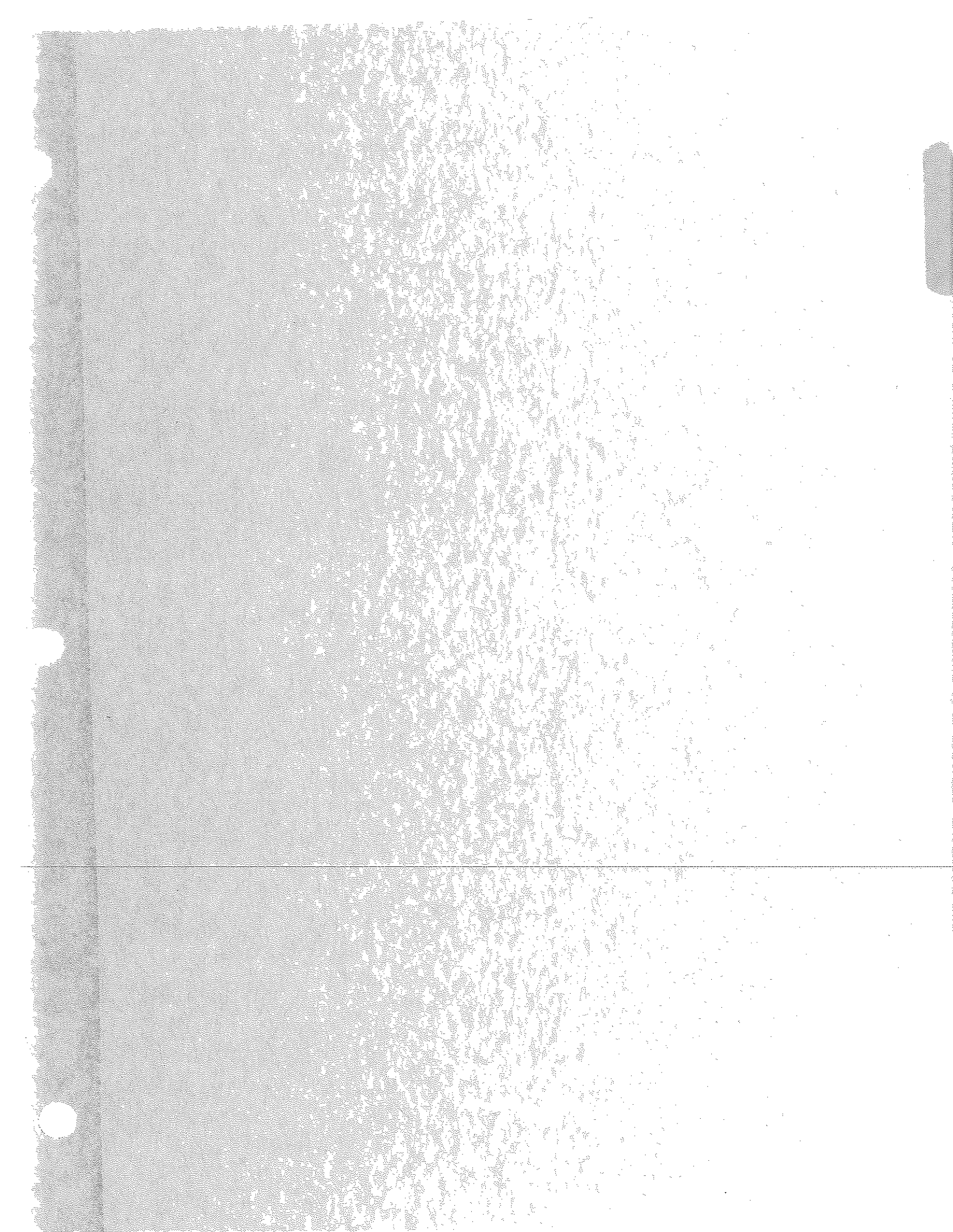
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HENSCHEL Defense Technology
TH 495 Infantry Combat Vehicle (ICV)



TH 495 ICV 500 3/93 ZE H O Printed in Germany Thyssen Industrie AG Henschel

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160 Elgin Street
Suite 2600
Ottawa, Ontario
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Telephone (613) 233-1781
Facsimile (613) 563-9869

Ottawa, November 8, 1995

Roger Tassé, O.C., Q.C.
Direct (613) 786-0208
tasseR@gowlings.com

CONFIDENTIAL

The Hon. Allan Rock, Q.C., P.C., M.P.
Minister of Justice and Attorney General of Canada
Confederation Building, Room 448
House of Commons
Ottawa (Ontario)
K1A 0A6

Dear Minister:

We have been retained by former Prime Minister Brian Mulroney in respect of a Request for Judicial Assistance that has been made on your behalf to the Minister of Justice of Switzerland to assist an RCMP investigation into alleged breaches of Canadian law.

The Request, which is dated September 29, 1995, and signed by Kimberley Prost, Senior General Counsel, International Assistance Group, states, in its first paragraph, that "The Minister of Justice and Attorney General of Canada is most kindly asking the Minister of Justice of Switzerland for judicial assistance for the Canadian Government in the investigation of breaches of Canadian law". (Our translation from the original German). This Request has come to the attention of Mr. Mulroney only late last week and has caused him great consternation.

Mr. Mulroney obviously accepts that both the RCMP and your Department have the responsibility, indeed the obligation, to investigate alleged breaches of our laws and, where required, to seek the assistance of foreign countries. That is not the point. What is not acceptable are the statements made on your behalf in the Request addressed to the Swiss authorities.

For example, Mr. Mulroney vehemently objects to the statement (on page 9) that "the three above-mentioned cases are proof of an ongoing conspiracy between Mr. Mulroney, Mr. M. and Mr. S. to defraud the Canadian government of millions of dollars during the time that Mr. Mulroney was in office, from September 1984 until his resignation in June 1993". He also vehemently objects to the statement (on page 12) that "this investigation is of great importance to the Canadian government because it concerns criminal activities on the part of a former Prime Minister". (Our translation from the original German).

In our view, those are truly extraordinary statements that go much beyond a recital of facts which would justify the assistance of the Swiss authorities in an investigation conducted in Canada by the RCMP. These statements clearly affirm that the Canadian authorities, in particular your Department, have reached the conclusion that Mr. Mulroney has breached the criminal law. At the same time, and contrary to these statements, we are informed by the RCMP that their investigation is at a preliminary stage and that, at this particular time, they are only engaged in a review of the information available with a view to deciding whether they should proceed to the next stage and undertake a formal criminal investigation.

In the circumstances, you will understand Mr. Mulroney's disbelief and distress when he discovered that the Canadian authorities had in their request to a foreign government for assistance in their investigation, effectively labelled him as a criminal.

Need we underline the incalculable harm that these statements made on your behalf cause Mr. Mulroney and his family? No internationally prominent public figure could ever fully recover from such assertion.

We emphasize that Mr. Mulroney's objections do not relate to the fact that the RCMP is conducting an investigation, nor that a Request be made to the Swiss authorities for assistance. Rather, his objections are directed at what amount to his being characterized as a criminal by the Canadian authorities. This is a manner of proceeding that, in our view, goes beyond basic rules of decency and fairness and constitutes a blatant breach of Mr. Mulroney's fundamental rights.

We have informed your officers, Mary Dawson, who was then Acting Deputy Minister, and Kimberly Prost, as well as the Commissioner of the RCMP, that Mr. Mulroney unequivocally and absolutely denies the allegations contained in the Request. We reiterate these denials. Furthermore, the RCMP has been informed that Mr. Mulroney is prepared to cooperate with them in their investigation. Indeed, he is astonished that the RCMP has not even chosen to meet with him before making such grave accusations.

In light of the most improper, unjustified and highly damaging statements contained in the Request made to the Swiss authorities, we urge you to personally review the matter and to direct your Department to withdraw the Request already made and to present, if that is the wish of the RCMP, a new Request that is more respectful of basic rules of fairness and decency.

We are prepared to meet with you at your convenience should you wish to discuss the matter.

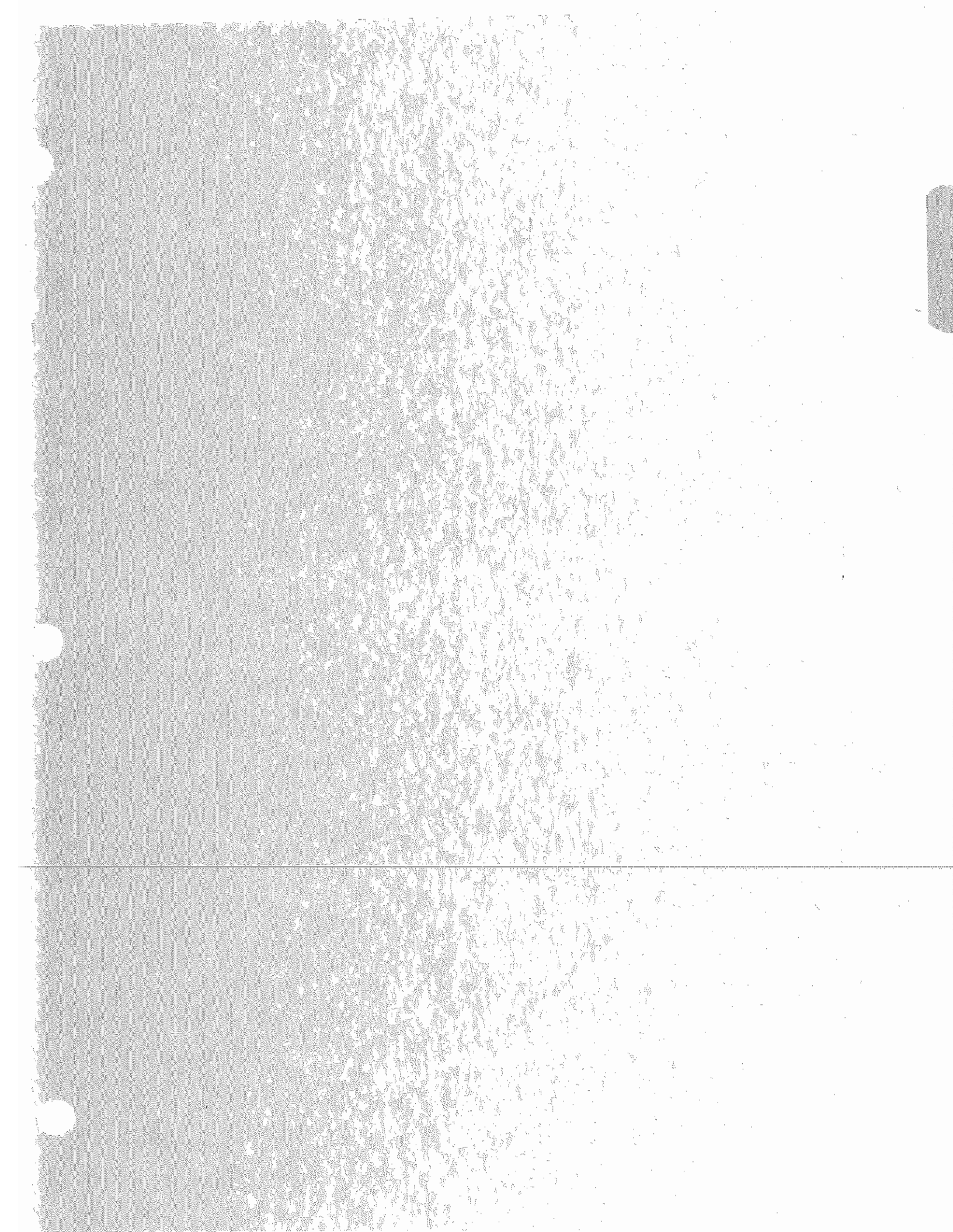
A copy of this letter is being sent to your colleague, the Solicitor General, and the Commissioner of the RCMP.

Yours very truly,
Gowling, Strathy & Henderson



Per: Roger Tassé, O.C., Q.C.

c.c.: Hon. Herb Gray, Solicitor General
Mr. J.P.R. Murray, RCMP Commissioner



NOV 14 '95 16:18 G, S & H

P.2/3



Department of Justice Ministère de la Justice
Canada Canada

Ottawa, Canada
K1A 0H0

Justice Building
Room 456
Tel.: 813-957-4758
Fax: 813-957-8412

November 14, 1995

CONFIDENTIAL

Mr. Roger Tassé, O.C., Q.C.
Gowling, Strathy & Henderson
Barristers and Solicitors
160 Elgin Street
Suite 2600
Ottawa, Ontario
K1P 1C3

Dear Mr. Tassé:

Your letter of November 8, 1995 to the Minister of Justice has been directed to me for reply.

Where there is no mutual legal assistance treaty in place, letters of request are the mechanism used by Canada to obtain assistance from other states to investigate a criminal matter. The purpose of such requests, as understood by both countries and stated in the opening paragraphs of a request, is to seek evidence in relation to allegations of criminal activity. Such requests, submitted in the context of an investigation or prosecution, will outline the nature of the investigation, including a description of the allegations and the basis for them, any theory of the case, and the information available to date. The request will then describe the specific assistance sought from the foreign state. Thus, requests must be read in totality and in the context of their purpose.

When read in that context, the specific request you referred to makes it clear that the conduct described in the request is alleged criminal conduct under investigation.

These requests are confidential communications between states. In the request, a statement is made regarding the necessity for confidentiality, except to the extent disclosure is necessary for execution of the request.

Canada

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In relation to the particular case to which you refer, the Swiss authorities are well aware from the request that this is an investigation and the statements in the request relate to allegations which are the subject of investigation. Further, they have repeatedly assured us that, as is their practice, the request will not be disclosed publicly. It will be disclosed only to the extent necessary to obtain the requested information.

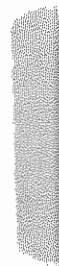
As you know it is the policy of the Department of Justice to keep such requests entirely confidential. In addition, as a result of the sensitive nature of this case, the necessity for confidentiality has been repeatedly stressed with the Swiss authorities. In response to the concerns you have expressed, we have reaffirmed with the Swiss that this request is based on allegations of criminal activity, the basis of which is outlined in the request, and that given the prominent individuals named in the document the request will be dealt with in confidence, subject to the need for disclosure in order to obtain the requested information in accordance with Swiss law.

We appreciate the need for confidentiality and trust that these comments will serve to explain the procedures followed. As for the other aspects of your letter relating to the conduct of the investigation, I would suggest you raise those matters directly with the RCMP.

Yours truly,



W.H. Corbett
Senior General Counsel
Criminal Law Section



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180 Elgin Street
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November 16, 1995

Roger Tassé, O.C., Q.C.
Direct (613) 786-0208
tasseR@gowlings.com

BY FAX

Sergeant Fraser Fiegenwald
Commercial Crime Section
Royal Canadian Mounted Police
155 McArthur Avenue
Vanier, Ontario
K1A 0R4

CONFIDENTIAL

Dear Sergeant Fiegenwald:

Further to our meeting yesterday with Inspector Bouchard, I wish to propose for your consideration the following wording for inclusion in a letter to the Swiss authorities:

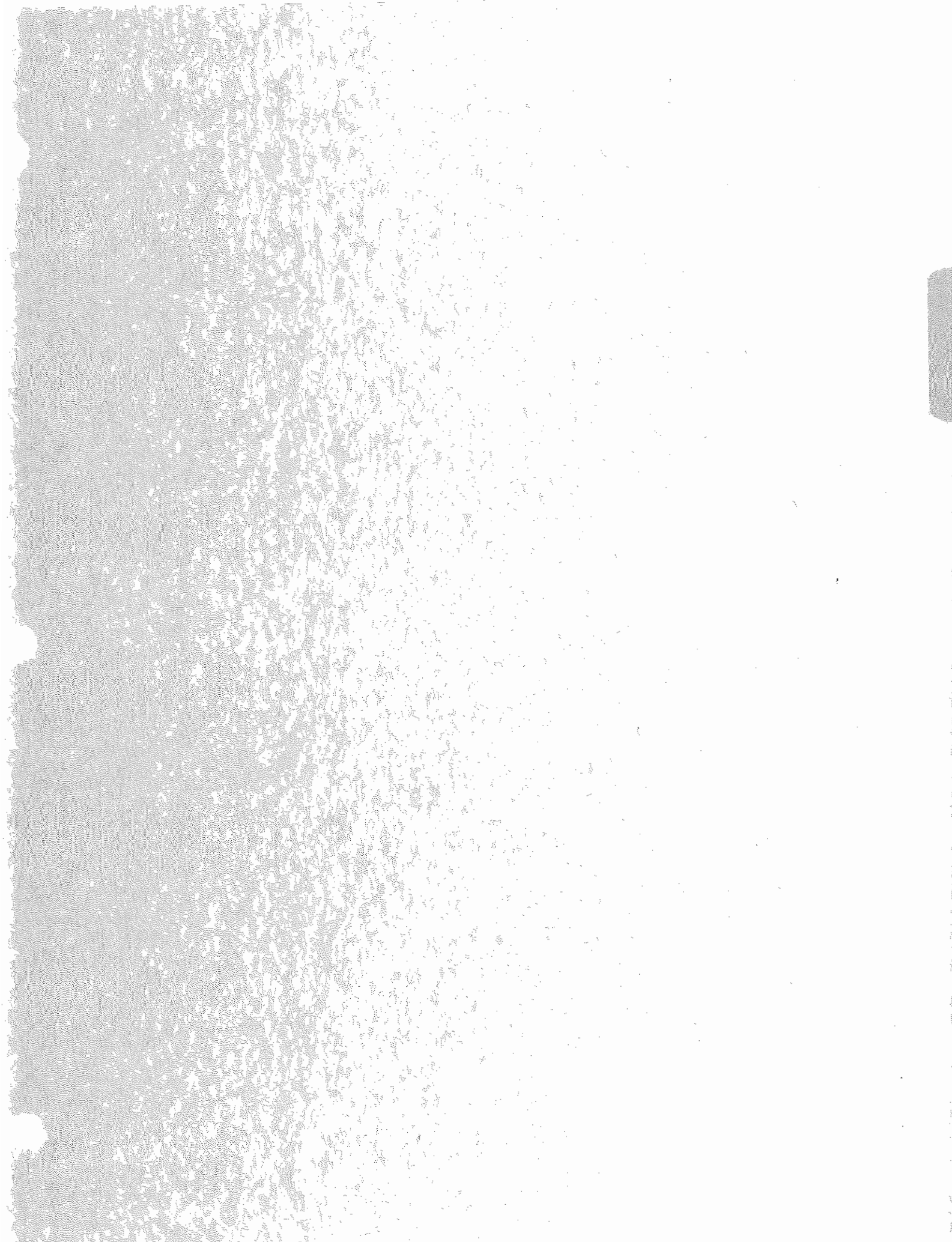
"We wish to emphasize that nothing in our Request of September 29, 1995 seeking your assistance in respect of an investigation into allegations of possible breaches of Canadian criminal law should be read so as to suggest that the Canadian authorities have reached the conclusion that Mr. xxx has committed any of the alleged criminal wrongdoings. We reiterate that the investigation is in its preliminary stage and that the purpose of our Request to you is to determine whether there is any basis for us to proceed with a formal criminal investigation".

In addition, I suggest for your consideration that a letter be sent by the appropriate Canadian authorities to Mr. xxx or to myself on his behalf, re-affirming the points suggested above and indicating that the authorities wish to express their regrets for the great distress that some of the wording in the Request to the Swiss authorities have caused him and his family.

I shall await to hear further from you.

Yours very truly,
Gowling, Strathy & Henderson

Roger Tassé





Royal Canadian Mounted Police / Gendarmerie royale du Canada

Security Classification / Designation / Classification / Désignation sécuritaire

Vanier, Ontario / November 17th, 1995

BY HAND

Your file / Votre référence

Mr. Roger TASSE, Suite 2600, 160 Elgin Street, Ottawa, Ontario. K1P 1C3

Our file / Notre référence

Dear Mr. TASSE,

Further to our meeting on November 15th, 1995, and your letter dated November 16th, 1995, I have discussed your request to amend the wording of our "Request to the Swiss Authorities" with officials at the Department of Justice. Mr. W.H. CORBETT wrote to you on November 14th, 1995 advising that when the request is read in context, it is clear that the subject matter is only allegations and that no conclusions have been reached in this stage of the investigation as to the guilt or innocence of your client.

On November 14th, 1995, Ms. PROST of the Department of Justice wrote to the Swiss authorities as a result of your letter dated November 8th, 1995, reemphasizing that the request "outlines allegations of criminal activity"... and that "The information provided in the request must be read in that context." The Swiss authorities have confirmed to the RCMP Liaison Officer in Bern, that they are well aware that the request contains only allegations and that no conclusion concerning the guilt or innocence of the persons named in the request has been made.

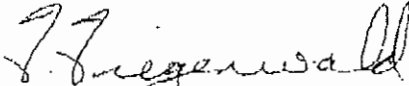
For these reasons, I believe that the request has adequately communicated our position to the Swiss and that there is no misunderstanding and therefore, no basis for amending the request.

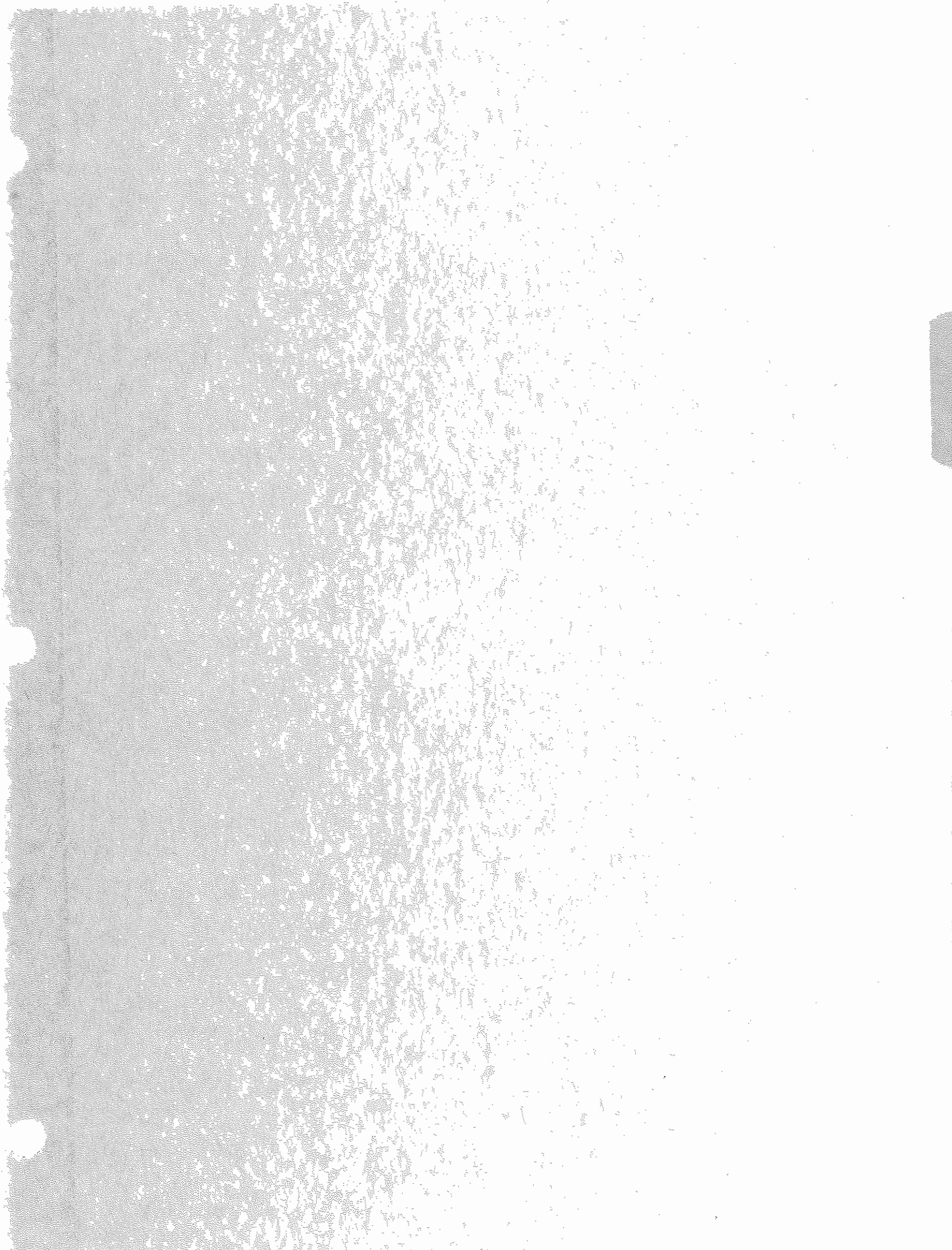
...2/

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I understand your concern that the media may take specific statements out of context in the event that the request is leaked. If that occurs, I am prepared to make a statement to the media, to the effect that the request contained only allegations and no conclusions had been made by the RCMP at the time the request was forwarded. The RCMP position with the media has been to ensure that no names or any other contents of the request are released or confirmed. We have clearly stated that we are in the process of evaluating allegations which have surfaced in the media.

We are sensitive to your client's need to protect his reputation and the ramifications any negative public attention may have on his career. We assure you that this investigation will be conducted with the utmost discretion.


(F.E. FIEGENWALD), Sgt.
RCMP "A" Division,
Commercial Crime Section,
155 McArthur Avenue,
Vanier, Ontario.
K1A 0R4





Verbatim

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LE 18 NOVEMBRE 1995 RDI canal 19 MONTRÉAL Réseau de l'information

ÉMISSION SPÉCIALE - 16131 -

CONFÉRENCE DE PRESSE DES AVOCATS DE BRIAN MULRONEY

CLAUDE DESBIENS (ANIMATEUR) : Nous sommes donc de retour en émission spéciale, pour vous présenter, cette fois, une conférence de presse qui sera donnée, dans quelques instants, par des conseillers juridiques de l'ex-premier-ministre Brian Mulroney.

Ces avocats s'appêtent à démentir toute implication de l'ex-premier-ministre dans une présumée affaire de pots-de-vin, à l'occasion de la vente d'une trentaine d'Airbus à Air Canada en 1988. Je crois que nous sommes prêts, Mesdames et Messieurs, pour cette conférence de presse qui se tient dans un hôtel de la métropole. Nous allons nous y rendre.

INTERPRÈTE POUR HARVEY YAROSKI, AVOCAT DE BRIAN MULRONEY) : Nous sommes ici aujourd'hui, pour parler d'une question très simple: c'est une question de justice, d'équité et de décence. Nous sommes fiers de notre système de justice au Canada, qui insiste beaucoup sur l'équité.

Nous prenons fierté au fait que tout le monde, dans ce pays, qu'il s'agisse d'un ex-premier-ministre ou de tout citoyen ou citoyen, a le droit à ce qu'on le traite de façon équitable.

HARVEY YAROSKI: On se vante que notre système légal, notre système judiciaire comporte comme une valeur très importante, l'importante de la décence et de la justice et de l'équité.

INTERPRÈTE POUR HARVEY YAROSKI: Ce n'est pas ce qui s'est produit dans ce cas-ci. Toute personne qui a un sens de l'équité et qui sait ce qui s'est produit, verra très clairement que les droits de monsieur Mulroney et de sa famille, qu'on a porté atteinte à ces droits.

HARVEY YAROSKI: Le comportement extraordinaire et exorbitant de la GRC et du gouvernement canadien, dans cette affaire, constitue un accroc sérieux, un sérieux accroc, à la décence la plus élémentaire. Pourquoi est-ce que je dis cela?



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INTERPRÈTE POUR HARVEY YAROSKI: Il suffit d'examiner ce qui s'est produit, ces dernières semaines, dans cette affaire. C'est très simple, les données sont claires; le gouvernement du Canada et c'est indiqué sur du papier à lettre à son entête, écrit à un autre gouvernement, dans ce cas-ci, le gouvernement de la Suisse, et dit: nous croyons que monsieur Mulroney était impliqué dans un complot de nature criminelle, en vue d'accepter de l'argent pour influencer sur la décision d'Air Canada, en vue d'acheter des avions de la part d'Airbus.

Et cette demande, adressée à la Suisse, ajoutée, cette lettre, pour impressionner les autorités suisses, que c'est important parce que ça met en jeu des activités criminelles, de la part d'un ex-premier-ministre.

Ces affirmations sont faites d'abord, sans preuves aucunes, deuxièmement, en sachant que des dirigeants d'Air Canada ont souvent, et de façon publique, affirmé que monsieur Mulroney n'avait absolument rien à voir avec la décision d'Air Canada d'acheter des avions d'Airbus, et, troisièmement, sans donner à monsieur Mulroney, quelque occasion que ce soit de réfuter ces allégations.

On a refusé de l'écouter. On ne lui a donné aucune occasion d'y répondre.

HARVEY YAROSKI: Autrement dit, ces affirmations, gravement dommageable, à l'égard de monsieur Mulroney, et à sa famille, ont été faites sans aucun fondement, et sans même donner, à monsieur Mulroney, l'opportunité de donner à la GRC, sa version des faits.

INTERPRÈTE POUR HARVEY YAROSKI: C'était erroné de procéder ainsi, c'est toujours erroné, c'est injuste, c'est indécent. Et pour empirer les choses, après que monsieur Mulroney eut appris tout cela, et qu'il eut donné instructions à mon collègue, monsieur Roger Tassé, de communiquer avec ces autorités, qu'il a protesté contre ce comportement si grave, et qu'il ait offert sa coopération, qu'il ait offert de s'asseoir avec eux ...

HARVEY YAROSKI: Je vais finir là-dessus, et monsieur Tassé va lui-même vous raconter ça en détails. Il a offert à la GRC, non seulement, la collaboration de monsieur Mulroney, il a offert que monsieur Mulroney, s'assoit avec les enquêteurs pour répondre à leurs questions. Ils ont refusé.

INTERPRÈTE POUR HARVEY YAROSKI: Quand on a eut découvert ça, monsieur Mulroney a demandé à monsieur Tassé de communiquer avec les autorités, de protester contre ce comportement, d'offrir sa pleine et entière collaboration, et qui plus est, d'offrir de



Verbatim

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s'asseoir avec ces gens-là, de répondre à leurs questions et de donner sa version de ce qui, sensément, c'est produit. Mais, ça ne les intéressait pas, ils ont refusé.

Normalement, en vertu de la loi criminelle, c'est la police qui court après les personnes qui subissent les enquêtes, et non pas l'inverse. Cette fois-ci, c'est monsieur Mulroney qui court après eux, pour qu'ils puissent l'écouter mais ils ne veulent rien savoir.

Monsieur Mulroney affirme de façon catégorique qu'il n'avait absolument rien à voir avec cette décision d'Air Canada, d'acheter chez Airbus. Il n'a rien reçu, pas un cent, de qui que ce soit. Il n'a absolument pas participé à un complot.

HARVEY YAROSKI: Monsieur Mulroney affirme, sans équivoque, que les allégations faites à son égard, sont fausses, sont sans fondement. Le tort que tout cela a fait et fait, à lui et à sa famille, est énorme.

INTERPRÈTE POUR HARVEY YAROSKI: Vous savez, on peut aimer ou ne pas aimer monsieur Mulroney. On peut être d'accord avec ses politiques ou alors, en désaccord avec ses politiques, mais là, n'est pas la question. La question est la suivante: chaque personne, dans ce pays, a le droit à ce qu'on la traite de façon juste et équitable et ce n'est pas ce qui s'est produit, cette fois.

Alors, monsieur Mulroney n'a d'autre choix que de défendre son honneur, l'honneur de sa famille aussi, et en vertu, de notre système, quand les choses atteignent un point comme celui-ci, il y a un seul endroit où on peut régler ces questions, et c'est devant les tribunaux. Merci beaucoup!

LUC LAVOIE (PORTE-PAROLE DE BRIAN MULRONEY): J'inviterais maintenant, maître Tassé, à vous adresser la parole. I would now invite Mister Tassé to talk to you.

ROGER TASSÉ (AVOCAT DE BRIAN MULRONEY): Monsieur Mulroney m'a téléphoné dans les heures qui ont suivi sa prise de connaissance du document dont il s'agit, c'est-à-dire la requête du gouvernement canadien auprès des autorités suisses. Nous en avons discuté et monsieur Mulroney m'a donné instructions de communiquer avec les autorités du ministère de la Justice, à Ottawa, les autorités de la GRC. Ce que j'ai fait.

J'ai parlé à plusieurs reprises à des fonctionnaires du ministère de la Justice et aux autorités, aux enquêteurs de la GRC. Quel était mon message quand je leur ai parlé? Essentiellement, mon message est assez simple: un, monsieur Mulroney n'a



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aucune objection à ce que le GRC fasse enquête concernant les allégations qui ont été faites relativement à l'achat, par Air Canada, des Airbus.

C'est même la responsabilité de la GRC de décider quand elle doit faire enquête. Monsieur Mulroney, deuxièmement, n'a aucune objection, n'avait aucune objection, n'a encore aucune objection à ce que le ministère de la Justice fasse une demande auprès des autorités suisses, une demande d'assistance pour les fins de l'enquête conduite par la GRC.

J'ai aussi fait part à ceux qui m'ont écouté, ceux que j'ai rencontrés, au ministère de la Justice, et à la GRC, des dénégations catégoriques de monsieur Mulroney quant à toutes les allégations de conduite criminelle qui le concernent et qui sont contenues dans la requête faite aux autorités suisses.

J'ai indiqué aussi, quatrième point, indiqué aussi, aux autorités, que monsieur Mulroney était prêt à répondre à toutes les questions qu'on voudrait bien lui poser à propos des allégations le concernant. Qu'il était prêt à s'asseoir et à répondre, et à offrir toute sa coopération aux autorités de la GRC.

Là, n'était pas le problème. Le problème, c'est l'objection très profonde, de monsieur Mulroney, quant aux déclarations des autorités canadiennes dans la demandes qu'elles ont faites aux autorités suisses. Des déclarations qui sont injustes, inappropriées, injustifiées et extrêmement dommageables quant à sa personne, sa réputation et sa famille.

Alors, qu'est-ce que j'ai demandé à la GRC? Je n'ai pas demandé à la GRC de mettre fin à son enquête, Je n'ai pas demandé à la GRC de ne pas faire de requête auprès des autorités suisses. Je leur ai demandé d'apporter les correctifs nécessaires, d'agir dans le respect des droits de monsieur Mulroney. D'apporter les correctifs nécessaires à la requête qu'ils avaient logée auprès des autorités suisses.

Comment pouvaient-ils la faire? Soit en retirant la demande qui avait été faite et en soumettant une nouvelle, plus respectueuse des droits de monsieur Mulroney, soit en l'amendant, soit en envoyant une lettre aux autorités suisses pour apporter les correctifs qui s'imposaient. Et aussi, en faisant amende honorable auprès de monsieur Mulroney et à sa famille.

La GRC a rejeté, les autorités canadiennes ont rejeté cette demande, que j'ai faite au nom de monsieur Mulroney. Leur réponse, ça l'a été que la demande doit se lire dans son entièreté. On ne devrait pas abstraire un paragraphe ici et là. On devrait lire dans son entièreté, et que, si on lit,



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toujours selon la GRC, la demande dans son entièreté, ce dont il s'agit, ce sont des allégations.

J'ai, je me suis inscrit en désaccord avec eux, en désaccord profond, parce qu'il y a des paragraphes là, qui doivent se lire pour ce qu'ils disent. Et, on sait maintenant, quels sont ces paragraphes. Vous le savez, monsieur Yaroski y a fait allusion.

Deuxième point dans la réponse de la GRC: nous avons pris toutes les mesures nécessaires pour assurer la confidentialité de la requête des autorités canadiennes. Et les autorités suisses sont conscientes des dommages qui pourraient être subis par les gens dont les noms apparaissent dans cette enquête, dans cette requête.

Alors, je vous laisse juger de la validité des assurances qui nous ont été données. Je réitère, et je pense que ça c'est très important, que monsieur Mulroney n'a pas d'objection à ce qu'il y a enquête. Monsieur Mulroney n'a pas d'objection à ce qu'un requête soit faite auprès des autorités suisses. Ce à quoi il s'objecte, de façon véhémence, ce sont les termes qui sont employés, ce sont les conclusions qui sont données dans le document. A savoir que, pendant toute la période de ses deux mandats, il était, avec d'autres, en conspiration pour frauder le gouvernement canadien.

Alors, je laisse à monsieur Tremblay de vous indiquer la suite des événements. Merci.

GÉRALD TREMBLAY (AVOCAT DE BRIAN MULRONEY): Mon nom est Gérald Tremblay, je suis avocat à la firme McCarthy-Tétrault. Et, mes services ont été retenus pour, justement, utiliser les termes de maître Tassé, assurer la suite, la conduite de la suite des événements.

Je ne veux pas répéter ce qui a été dit jusqu'à maintenant, je vais simplement, peut-être, dans leurs grandes lignes, vous donner les conclusions auxquelles cette séquence d'événements m'ont amené comme m'a amené, cette séquence d'événement m'a amené comme avocat.

On dit souvent que, dans notre milieu, le milieu juridique ou le milieu des professionnels ou dans toutes sortes d'autres milieux, la réputation est sans doute, le bien le plus précieux que l'on a. Et, malgré les grands talents que quelqu'un peut avoir dans plusieurs domaines du droit ou des activités humaines, ces grands talents ne sont plus mis à contribution si, la réputation de la personne qui les a, est affecté.

Les tribunaux ont souvent dit qu'ils étaient là pour protéger la réputation de quiconque, que cette personne soit une personne publique ou une



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personnes privées. Dans le cas qui nous occupe, la réputation de monsieur Mulroney a été gravement attaquée par les agissements du gouvernement du Canada et de la GRC.

A partir du moment où, sous le papier à entête du gouvernement du Canada et du ministère de la Justice, avec la signature d'un avocat, on déclare à une autorité étrangère, en l'occurrence, la Suisse, que la personne désignée est impliquée dans des activités criminelles, on vient, à ce moment-là, d'attaquer sa réputation.

Le mal est déjà fait mais il est circonscrit lorsqu'il demeure à l'intérieur de communications d'une force policière à l'autre. Le gouvernement du Canada a choisi de décrire son ex-premier-ministre comme quelqu'un qui avait participé à des activités criminelles. Déjà, il y a libellé parce que ces affirmations, comme vous venez de le voir, sont fausses et l'auteur de la déclaration n'avait pas de bases justifiant de telles déclarations, eux-même déclarant, comme vous l'avez vu récemment, que leur base, c'étaient des émissions de télévision ou autre sources aussi peu solides sur la plan preuve.

D'ailleurs l'émission elle-même, quand on parle de Fifth Estate, concluait qu'il n'y avait, qu'ils n'avaient découvert aucune preuve quant à ces paiements allégués. Alors, la demande est faite aux autorités suisses, et elle est communiquée à des institutions bancaires; réputation de monsieur Mulroney déjà attaquée, auprès d'un gouvernement étranger, et encore une fois, attaquée auprès d'une autorité bancaire, c'est-à-dire le monde des affaires dans lequel des avocats d'un certain renom ou de certaines, ou oeuvrant dans certains milieux, oeuvrent.

Finalement, et, c'était inévitable, malgré les assurances données, ces allégations coulent et sont reproduites dans les médias. Alors, et ça, à travers le monde. Le dommage est absolument incalculable. Encore une fois, nous avons tout fait pour éviter d'avoir recours aux tribunaux qui doivent être le gardien ultime de nos droits.

On s'adresse aux tribunaux lorsque c'est absolument nécessaire. Maître Tassé vous a indiqué, et j'ai été moi-même témoin de ces démarches, vous a indiqué à quel point il a essayé de convaincre le gouvernement du Canada, qu'il pouvait réparer, au moins partiellement, ce qui avait été commis. Qu'il pouvait indiquer qu'il s'était trompé, qu'il pouvait indiquer qu'il n'y avait pas de preuves qui l'amenaient à conclure, comme il l'avait fait de façon aussi irresponsable, dans la lettre envoyée aux autorités suisses.



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Vu que le gouvernement du Canada n'a pas bougé; au contraire, qu'il a refusé de bouger. Vu qu'il a même refusé l'étape la plus élémentaire à laquelle on peut s'attendre avant d'accuser quelqu'un publiquement, et en général, vous le faites dans votre métier, contacter la personne que l'on entend salir jusqu'à ce point. Nous n'avions d'autre choix, étant donné que ce matin, tout avait coulé, nous n'avions d'autre choix que de passer à l'étape dont je vais vous parler maintenant.

Monsieur Mulroney m'a donné le mandat de prendre des poursuites de façon immédiate, contre les auteurs de ces libelles. Lundi matin, à la Cour Supérieure, sera déposée une action en dommages, réclamant 50 millions de dollars, des auteurs de ce libelle, à savoir: le gouvernement canadien, la GRC et les personnes qui sont derrière les gestes posés.

En conséquence, et c'est pour ça que c'est la dernière fois que je m'adresserai à vous en tant que journalistes, parce que la matière sera sous sub judice (orth?) dès lundi matin. En conséquence, vous verrez, lundi matin, en vous adressant au Palais de Justice, toute la séquence des événements qui est d'ailleurs largement connue, mais qui est maintenant, qui sera exposée sous forme d'une action en justice.

Cette action est prête. Ce n'est que, nous sommes samedi et les services appropriés ne sont pas disponibles au Palais de Justice. Dès lundi matin, l'action sera déposée formellement. J'indique tout de suite, que, il y a une partie dans la réclamation qui est des dommages à la réputation et dommages réels, c'est-à-dire, 25 millions de dollars. L'autre partie, les 25 millions de dollars, c'est une partie qui est composée de dommages exemplaires que nous réclamons des tribunaux. Et la somme accordée, à cet égard, monsieur Mulroney m'a indiqué d'indiquer dans sa procédure qu'il la donnerait à des organismes de charité.

Et quant à la suite des événements, et bien, la justice suivra son cours. Et le document sera disponible, il sera pour consommation publique, dès lundi matin.

INTERPRÈTE POUR GÉRALD TREMBLAY: J'ai reçu instruction de la part de monsieur Mulroney de passer immédiatement devant les tribunaux pour chercher à obtenir compensations pour les torts incalculables que le libelle a infligé à monsieur Mulroney, de la part du gouvernement canadien et de la GRC. Infligé à monsieur Mulroney et à sa famille.

Le gouvernement du Canada a eu toutes les occasions de rectifier ce qui pouvait être rectifié au cours de la semaine dernière, y compris, ils ont eu l'occasion, notamment, d'écouter les explications de

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monsieur Mulroney. Ils ont refusé, le gouvernement du Canada a refusé de tenir compte de la dénégation sans équivoque, de la part de monsieur Mulroney.

Nous n'avions d'autre choix, quand tout cela est devenu public via un article du Financial Post, ce matin, que de demander à la Cour Supérieure du Québec, d'intervenir. Cette action sera déposée lundi matin. Nous demanderons 50 millions de dollars, soit 25 millions de dollars en dommages infligés à monsieur Mulroney et à sa réputation, et 25 millions de dollars de dommages punitifs qui seraient remis à des oeuvres charitables, selon ce que la cour décidera d'attribuer.

Tout cela sera sub judice à compter de lundi matin. Je vous demande de m'appuyer à respecter les règlements qui interdisent aux avocats de commenter les cas qui se trouvent devant les tribunaux.

LUC LAVOIE: Merci beaucoup! Thank you very much. We will now move to the question period ...

INTERPRÈTE POUR INTERVENANT: Nous passons maintenant à la période de questions.

LUC LAVOIE: J'aimerais que vous vous identifiez avant de poser la question, s'il vous plaît, et on peut procéder maintenant. Oui, Alexandre Dumas.

ALEXANDRE DUMAS (JOURNALISTE): Question qui s'adresse à vous tous, maîtres, dans un premier temps, qu'est-ce qui pourrait, d'après vous, motiver les refus opposés, et par la GRC et par le gouvernement, devant l'offre de coopération que vous avez faite. Et, dans un deuxième temps, pourquoi monsieur Mulroney a-t-il décidé de ne pas être présent avec vous?

ROGER TASSÉ: Quant à la première question, Monsieur Dumas, qu'est-ce que justifié le gouvernement? Oui, bien écoutez, personne d'entre nous, ici, allons spéculer quant aux motifs qui ont pu amener la GRC à refuser les demandes que nous avons faites. Faudrait leur demander, je pense,

Quant à la deuxième question, je pense que comme vous pouvez voir, nous sommes très, très près de recours judiciaires, et nous avons recommandé à monsieur Mulroney, qu'il était préférable de laisser les avocats répondre aux questions quant aux circonstances de ce dossier.

GÉRALD TREMBLAY: Et, j'ajouterais, Monsieur Dumas, là-dessus, c'est qu'une fois que la matière a atteint le stade judiciaire, en général, ce que nous recommandons à nos clients, c'est que les déclarations que vous aurez à faire, vous les ferez devant le tribunal et à ce moment-là, ce sera également du domaine public.

ALEXANDRE DUMAS: Je me permets d'ajouter une sous-question, avec votre permission,

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est-ce que les autorités vous ont, tout de même, étalé la motivation de leur refus? Je m'excuse d'insister, là, mais ...

ROGER TASSÉ: Les autorités nous ont donné, simplement, le résultat de leur réflexion. Ce que les autorités nous ont dit c'est que, écoutez, comme je l'ai mentionné tantôt, cette, au stage où nous en sommes dans notre enquête, il n'y a pas lieu de s'alarmer, c'est, nous ne faisons qu'enquêter dans une première étape, les allégations qui ont été faites.

Et, peut-être que, voyant la suite des événements, c'est-à-dire, ce qui pourrait leur être communiqué par les autorités suisses, suite à leur demande d'assistance, on avisera quant à la suite des événements. Alors, au fond, ce qu'ils nous ont donné, ce sont des assurances, à savoir que, tout ce que cette demande là mentionne, ce sont des allégations, que moi j'ai contesté très vertement.

Il faut savoir lire, je leur ai dit: il faut savoir lire. Regardez, ce que vous avez écrit et les mots ont leur sens, il faut donner un sens aux mots, et deuxièmement, bien, écoutez, ça envers moi, nous avons pris toutes les mesures nécessaires pour assurer la confidentialité auprès des autorités suisses. Les autorités suisses sont conscientes qu'il s'agit de réputation ici, et que ce sont des éléments, des allégations elles-mêmes qui sont faites là, normalement, ce n'est pas rendu public.

Alors, on a voulu nous rassurer quant à la confidentialité, les mesures qui seraient prises pour assurer la confidentialité de la démarche canadienne. Alors, moi, je leur ai mentionné, écoutez: je comprends ce que vous me dites, mais, êtes-vous en mesure d'assurer? Je leur ai dit: je ne crois pas que vous soyez en mesure d'assurer la confidentialité de cette requête-là et, c'est pour cette raison-là, que j'ai fait la demande que j'ai faite, tantôt, à savoir, faites amende honorable et faites, auprès des autorités suisses, les correctifs qui s'imposent. Ce qui a été décliné.

HARVEY YAROSKI: Est-ce que je pourrais juste ajouter, et maître Tassé me corrigera si je me trompe. Si j'ai bien compris, la réponse des autorités, c'est qu'on lit trop nous, dans leur demande. Qu'effectivement, ils ne suggèrent pas au gouvernement suisse que monsieur Mulrone y a été impliqué dans les activités criminelles. Alors, on interprète mal leur texte.

Alors, je pense qu'il est très clair que notre interprétation malheureusement, est plus bonne que la leur parce que, autrement, on ne serait pas ici aujourd'hui.

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LUC LAVOIE: Oui, Monsieur.

CLAUDE FUGER (JOURNALISTE) Une question

pour ...

LUC LAVOIE: Vous pouvez-vous identifier, s'il vous plaît, Monsieur?

CLAUDE FUGER: Claude Fuger, TVA. Cinquante millions de dollars pour la réputation de monsieur Mulroney, compte tenu du passé des Conservateurs, est-ce que c'est un prix juste et équitable, vous pensez?

ROGER TASSÉ: Les questions, évidemment, c'est l'évaluation ultime des tribunaux, mais ça n'a rien à voir avec le passé conservateur. Monsieur Mulroney est revenu à la pratique du droit dans un bureau d'avocats prestigieux de Montréal. Et, il a le droit de reprendre sa vie privée et de faire affaires comme avocat, à travers le vaste monde, sans que personne, sans que les gens l'accusent, injustement, de choses qu'il n'a pas faites.

Or, monsieur Mulroney a une excellente réputation à travers le monde. Il a été invité partout à s'adresser à toutes les tribunes du monde sur les questions mondiales, justement. Et, je pense que sa réputation est grandement affectée par ce qui s'est passé. Et le fait qu'on soit ou non, d'accord avec ce qui s'est passé sous son règne, n'a rien à voir avec Brian Mulroney, avocat pratiquant le droit à Montréal.

LUC LAVOIE: Oui Alexandre?

ALEXANDRE DUMAS: Une autre question avec votre permission, est-ce que le fait de la mise au jour de ces allégations-là, d'après ce qu'a pu, peut-être, vous en dire monsieur Mulroney, a amené peut-être, les relations qu'il a nouées au fil des ans, alors qu'il était au pouvoir, aux États-Unis, par exemple, à travers le monde, est-ce que ça l'a amené des réactions qui lui laissent penser, aujourd'hui même, que sa réputation est nettement attaquée?

ROGER TASSÉ: La réponse à ça, sans entrer dans la preuve que nous ferons devant le tribunal, la réponse à ça est, les appels qu'il reçoit à gauche et à droite, c'est qu'effectivement, ça l'a déjà commencé à avoir un impact négatif et qu'il est essentiel que toutes les mesures correctives soient prises pour arrêter, parce que vous savez, les manchettes que l'on voit à gauche et à droite, ont un effet très négatif. Et, vous dites ... La semaine passée a été, pour monsieur Mulroney, une très mauvaise semaine!

HARVEY YAROSKI: Et pour sa famille!

LUC LAVOIE: Mademoiselle.

JOURNALISTE NON IDENTIFIÉE: I wonder if

Mister Tassé, you can tell us ...

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INTERPRÈTE POUR JOURNALISTE: Je me demande, Monsieur Tassé, si vous pourriez nous dire comment monsieur Mulrone y a appris ces allégations? Comment il a appris l'existence de cette lettre?

INTERPRÈTE POUR ROGER TASSÉ: À peu près comme vous! Je l'ai lu dans le Financial Post. Je vous dirai simplement que ça s'est produit outre-mer et non pas au Canada.

INTERPRÈTE POUR JOURNALISTE: Deuxième question, étant donné que tout cela se retrouvera sub judice bientôt, pourquoi est-ce que monsieur Mulrone y ne saisit pas cette occasion de se présenter publiquement pour faire ces dénégations.

INTERPRÈTE POUR HARVEY YAROSKI: Et bien d'abord, monsieur Mulrone y a insisté pour nous dire qu'il était prêt à s'asseoir devant les autorités chargées d'enquêter sur ces allégations, et de répondre à leurs questions, de leur parler. Ça aurait été l'endroit adéquat pour que monsieur Mulrone y participe lui-même. Monsieur Tassé leur a offert ça, ça l'a été refusé.

Une fois cela réglé, et que nous sommes obligés de passer devant les tribunaux, l'endroit adéquat pour que monsieur Mulrone y dise ce qu'il a à dire, c'est devant les tribunaux. Nous pensons que l'endroit approprié, c'était d'abord vis-à-vis des autorités elles-mêmes, qui ont toujours refusé. Et, ayant atteint notre point actuel, nous avons plutôt l'impression que ce débat et que ce que lui, a à en dire, ça devrait se faire devant le tribunal et il a hâte de s'y trouver et c'est là qu'il dira ce qu'il a à dire.

Il nous a autorisé en son nom, mais quant au reste, il se présentera, bien sûr, devant le tribunal et c'est là qu'il dira ce qu'il a à dire, et non pas, dans une débat public.

INTERPRÈTE POUR DEUXIÈME JOURNALISTE: À quel niveau, au sein de la GRC et du ministère de la Justice, vous êtes-vous présenté?

INTERPRÈTE POUR ROGER TASSÉ: À des niveaux supérieurs dans les deux cas, y compris pour la personne qui a signé cette requête, pour le ministère de la Justice, pour le ministre de la Justice et pour la GRC, y compris la personne que, vous, dans la presse, avez nommé comme étant la personne responsable de l'enquête.

INTERPRÈTE POUR JOURNALISTE: Pouvez-vous nous donner des noms?

INTERPRÈTE POUR ROGER TASSÉ: Je pense que Kimberley Prost, tout le monde sait qu'elle est la responsable au ministère de la Justice, la plus importante, celle qui a signé cette requête auprès des

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autorités suisses, au nom du ministère. Et le sergent Fräser Siganwasld (orth?) de la GRC, qui est responsable de cette enquête.

LUC LAVOIE: Alexandre ...

ROGER TASSÉ: J'ajoute aussi que j'ai discuté très tôt, avec le Commissaire lui-même.

ALEXANDRE DUMAS: Question en trois étapes, si vous permettez, la dernière pour ce qui me concerne, vous avez évoqué clairement, je ne me rappelle pas trop si c'est maître Yaroski ou vous, Maître Tassé, avez évoqué clairement la question du coulage auprès des médias. Est-ce qu'on doit comprendre que dans votre esprit, cela signifie tout aussi clairement, que ce qui est advenu est l'objet d'une sorte d'offensive malicieuse? Premièrement.

Deuxièmement, de qui pourrait-elle venir, si c'était le cas? Et, troisièmement, est-ce que vous considérez que ça pourrait constituer une sorte de vengeance politique?

ROGER TASSÉ: Je répondrai simplement que, en vous indiquant, un peu, comment fonctionne, comment se font ces demandes-là, et comme il a pu arrivé que ça puisse couler. La demande est faite par les autorités canadiennes aux autorités suisses. Évidemment, c'est une demande confidentielle, dans des cas comme celui là, quand le gouvernement canadien demande l'assistance, c'est confidentiel.

Mais, une fois rendue en Suisse, cette demande-là, est portée, évidemment, étudiée et portée à l'attention des autorités, et ils prennent une décision et lorsque la décision est prise, elle est communiquée aux autorités bancaires en question, comme dans ce cas-ci.

Mais, une fois qu'elle est rendue dans ce réseau-là, moi, ma crainte c'est qui contrôle à ce moment-là? Ça devient la connaissance d'un certain nombre de personnes. Et là, je vous laisse spéculer ce qui peut arriver à ce moment-là. La demande est faite, est rendue entre les mains de plusieurs personnes et rendue entre les mains des clients qui sont concernés qui d'après, les allégations, ont des comptes de banque. Alors, comment peut-on prétendre qu'on peut contrôler de façon certains, une demande comme celle-là.

Si la demande n'était faite que par une autorité, une autorité canadienne aux autorités suisses et qu'on avait pas à communiquer avec le secteur privé, à l'extérieur, pour y donner suite, je comprends qu'on puisse assurer la confidentialité. Habituellement, les fonctionnaires des administrations gouvernementales et policières, sont respectueuses de la confidentialité et

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de la réputation des gens, habituellement. On voit qu'il peut y avoir des accrocs.

Mais, alors, je n'en dirai pas plus. Je pense que c'est simple. Moi, je ne spéculerai pas sur les raisons, les motifs qui ont pu évoquer, qui ont pu être justifier le fait que, maintenant, le document est connu du public, est connu du public à travers le monde, pas seulement ici.

GÉRALD TREMBLAY: Vous vous souviendrez, Monsieur Dumas, que la première entreprise de presse qui a parlé de cette histoire, c'est l'Agence France Presse, de Berne. Alors, comment s'est fait le lien, là-bas? Eh ...

LUC LAVOIE: Oui, Monsieur?

SANDRO CONTANDO (JOURNALISTE): At anytime during your dealing ...

LUC LAVOIE: Can you identify yourself?

INTERPRÈTE POUR SANDRO CONTANDO: Je suis du Toronto Star, quand vous avez traité avec le gouvernement ou la GRC, est-ce que vous avez pu apprendre que monsieur Chrétien ou d'autres ministres ou politiciens, étaient impliqués dans ce dossier?

INTERPRÈTE POUR ROGER TASSÉ: D'après ce que je peux voir des discussions que nous avons eues, les seules personnes qui étaient au courant étaient les personnes qui se trouvaient au sein du ministère de la Justice ou de la GRC, qui étaient responsables du dossier.

INTERPRÈTE POUR SANDRO CONTANDO: Autre question, il y a un moment que cette affaire traîne, en quelque sorte, il y avait eu enquête au moment où monsieur Mulroney était toujours en poste, est-ce que dans le cours de ces enquêtes, la GRC a interviewé, questionné monsieur Mulroney?

INTERPRÈTE POUR GÉRALD TREMBLAY: Pas à notre connaissance! Je crois bien que la réponse c'est non.

INTERPRÈTE POUR JOURNALISTE NON IDENTIFIÉE: Cet article du Financial Post, quelqu'un a dit que c'était une, que la GRC allait à la pêche! Êtes-vous d'accord avec ça? Cette façon de décrire la démarche.

INTERPRÈTE POUR GÉRALD TREMBLAY: Oui, on a cette impression, bien sûr, mais, c'est difficile de décrire ça autrement que de dire que c'est du libelle.

INTERPRÈTE POUR ROGER TASSÉ: Je vous renverrai à certaines des observations faites par des membres de la GRC qui ont été rapportées, je ne sais pas si ces rapports sont justes ou non, mais il y a des citations intéressantes à cet égard.



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INTERPRÈTE POUR HARVEY YAROSKI: Lisez ce qu'a dit monsieur Eigenwaald (orth?), devant certains des médias. Ça serait intéressant d'aller lire ça.

INTERPRÈTE POUR ANDY REED DE LA GAZETTE: Avez-vous copie de la lettre? Et pouvez-vous nous la remettre aujourd'hui?

INTERPRÈTE POUR ROGER TASSÉ: Nous n'avons que l'article du Financial Post avec des extraits de la lettre.

INTERPRÈTE POUR GÉRALD TREMBLAY: Lundi vous pourrez lire ça, ça sera inclus dans notre demande devant les tribunaux.

INTERPRÈTE POUR HARVEY YAROSKI: Ça ne serait pas indiqué de vous, de notre part, de rendre ça public puisqu'on tente une action. Lundi ...

INTERPRÈTE POUR ANDY REED: Pourquoi est-ce que ça ne serait pas indiqué?

INTERPRÈTE POUR GÉRALD TREMBLAY: Il ne faut pas que ça vienne de nous. Ça l'a été coulé au Financial Post, c'est donc disponible quelque part, mais ça ne doit pas venir de nous.

INTERPRÈTE POUR JOURNALISTE NON IDENTIFIÉ: Est-ce qu'il est probable que l'intervention du ministère de la Justice vis-à-vis de quelqu'un d'aussi connu que monsieur Mulroney, ait pu se faire sans l'approbation du bureau du Premier Ministre?

INTERPRÈTE POUR GÉRALD TREMBLAY: Tout ce que nous pouvons dire c'est que les gens qui nous ont parlé, disent qu'on s'en tient à leur niveau, que ça ne déborde pas de leur niveau. Que pouvons-nous ajouter?

INTERPRÈTE POUR JOURNALISTE: Diriez-vous que c'est une campagne de salissage?

INTERPRÈTE POUR GÉRALD TREMBLAY: Nous savons que cette personne est très connue et que, par conséquent, c'est un tort plus grand à sa réputation, mais, nous, en tant qu'avocats, nous n'allons pas nous présenter dans l'arène politique. Ça ne serait pas indiqué.

INTERPRÈTE POUR ROGER TASSÉ: C'est moi qui ai parlé à la GRC et au ministère de la Justice, et ce qu'on m'a dit, c'est que les personnes qui étaient au courant, de cette requête, étaient simplement les personnes qui en étaient responsables au ministère de la Justice et à la GRC. C'est ce qu'on m'a dit.

INTERPRÈTE POUR JOURNALISTE: Quand est-ce que cette requête a été faite officiellement?

INTERPRÈTE POUR GÉRALD TREMBLAY: Aux autorités suisses? Le 29 septembre 95.

JOURNALISTE NON IDENTIFIÉ: Est-ce que du point de vue technique, ça ne peut pas être

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difficile de faire la preuve qu'il y a eu vraiment une volonté de commettre un libelle à l'endroit de monsieur Mulroney, puisqu'il semble qu'il y ait eu une demande faite comme la police en fait à toutes les semaines sur des citoyens canadiens qui sont sous enquête? Et que monsieur Mulroney, est sous enquête, si on comprend bien, et pis, on fait une demande, on veut avoir les informations, et on vous ...

GÉRALD TREMBLAY: Non, mais la ...

JOURNALISTE NON IDENTIFIÉ:

Techniquement, ça ne peut pas être difficile pour vous, d'autant plus que c'est sorti en Europe, la nouvelle?

GÉRALD TREMBLAY: Faire la preuve, je pense, ne sera pas très difficile parce que ça découle du document lui-même. Le document ne dit pas, s'il se contentait de dire: écoutez, il y a eu une émission de Fifth Estate, nous on veut aller plus loin, dans ce domaine-là et on veut voir certains comptes de banque. Ça c'est une chose! Mais, le document va beaucoup plus loin que ça.

Le document dit que l'ancien premier-ministre du Canada a été impliqué dans des activités criminelles. C'est là que ça devient libelleux, lorsque quelqu'un conclut. Si quelqu'un dit: je veux faire enquête dans tel domaine et pis qu'il y va, bien, il n'y a personne qui a rien à dire. Mais lorsqu'on répète, lorsqu'on communique à d'autres personnes une conclusion à l'effet que la personne visée a commis une infraction de nature criminelle, c'est libelleux.

HARVEY YAROSKI: Le gouvernement canadien aurait pu facilement adresser une demande au gouvernement suisse, en demandant leur aide pour avoir accès à certains comptes de banque, et cetera, sans faire ces remarques, ces commentaires, libelleux. C'est très simple, ça serait très simple de le faire. Et c'est ça le point.

GÉRALD TREMBLAY: C'est comme si un juge rendait jugement avant d'avoir entendu la preuve. C'est aussi simple que ça, alors que dans ce cas-ci, ils n'avaient rien, ils le savaient. Parce que leurs propres sources, le Fifth Estate, par exemple, disaient qu'eux-même n'avaient pas de preuves.

LUC LAVOIE: Je vais prendre une dernière question.

INTERPRÈTE POUR JOURNALISTE NON IDENTIFIÉE: Pourriez-vous répéter ça en anglais, s'il vous plaît, Monsieur Tremblay, Monsieur Yaroski, concernant l'intention malicieuse, s'il y en a. Devez-vous prouver s'il y a malice?

INTERPRÈTE POUR HARVEY YAROSKI: Monsieur Tremblay peut dire ce qu'il faut prouver dans une action devant les tribunaux. Moi, je ne peux pas

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Intervenir là-dessus, je peux simplement répéter ce que je viens de dire. C'est quelque chose de très simple et de très clair; le gouvernement du Canada aurait très bien pu formuler cette requête auprès des autorités suisses, en vue d'obtenir de l'assistance, pour obtenir accès à certains comptes en banque, à certains dossiers, là-bas en Suisse, sans formuler ces, sans dire des choses qui constituent du libelle.

C'est là-dessus que j'insiste. Et monsieur Tassé l'a dit et monsieur Tremblay l'a dit aussi, j'insiste, l'objection de monsieur Mulroney, ce n'est pas que la GRC mène enquête, mais ce que le gouvernement du Canada et la GRC ont choisi de dire dans cette, ou d'écrire dans cette requête. C'était absolument pas nécessaire de dire les choses de façon, de cette façon là.

LUC LAVOIE: Monsieur Tremblay, non? Vous voulez ajouter quelque chose? Merci beaucoup! Thank you very much!

CLAUDE DESBIENS: Voilà, Mesdames et Messieurs, les avocats de l'ex-premier-ministre Brian Mulroney, viennent d'apporter un démenti formel, en conférence de presse, relativement à des allégations de matière criminelle que les conseillers juridiques qualifient de très graves, qui sont portées contre l'ex-premier-ministre, monsieur Mulroney, dans une affaire de pots-de-vin, à l'occasion de la vente d'une trentaine d'Airbus à Air Canada. C'est survenu en 1988.

Les avocats de l'ex-premier-ministre disent que la réputation de monsieur Mulroney a été durement entachée, que ses droits ont été violés. Qu'il y a eu un accroc à la décence la plus élémentaire de notre système de justice. Monsieur Mulroney n'est pas opposé à une enquête de la GRC, du ministère de la Justice. Il a même offert sa collaboration.

Les gens de la GRC et du ministère n'ont pas voulu la recevoir et l'entendre à ce sujet. Donc, il y a, la réputation de monsieur Mulroney, donc, sur le plan international est durement entachée. Et, pour cette raison, il a demandé, monsieur Mulroney, à ses procureurs de déposer, dès lundi, à la Cour Supérieure, une action en libelle diffamatoire de 50 millions de dollars. 25 millions pour dommages à sa personne et 25 millions pour dommages exemplaires.

Et si monsieur Mulroney avait gain de cause dans cette action en libelle diffamatoire, bon, il accorderait, il donnera cette somme à des organismes de charité. Si vous voulez, nous allons aller rejoindre mon collègue Réal D'Amours qui a assisté à la conférence de presse. Bonjour Réal!

RÉAL D'AMOURS (REPORTER): Re-bonjour

Claude!

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CLAUDE DESBIENS: Donc, bon, pour qu'on puisse bien comprendre, c'est le Financial Post qui, ce matin, a repris cette histoire qui circule depuis quelque temps au Canada. C'est ça, hein? C'est ce journal là, torontois, qui reprend l'histoire?

RÉAL D'AMOURS: Tout à fait, ça l'a été lancé ce matin, par une fuite, dit-on, ici. Mais, disons que l'histoire était connue depuis le mois de mars. Le magazine allemand Der Spiegel l'avait, avait fait état de ce pot-de-vin versé au gouvernement canadien sur l'achat des 34 Airbus 320 qui totalisait une somme de 1 milliard 800 millions de dollars, à ma connaissance.

Et, on aurait versé à des responsables canadiens, des responsables gouvernementaux, 17 millions de dollars, en pots-de-vin. Donc, ça l'avait été annoncé déjà, il y a plusieurs mois par le Der Spiegel. Et ça l'avait été repris, évidemment, par l'émission de la Société Radio-Canada ou Canadian Broadcasting Corporation, si vous voulez.

CLAUDE DESBIENS: Ce matin, le Financial Post écrit que c'est le ministère de la Justice et la GRC qui ont demandé aux autorités suisses de leur fournir tout élément de preuve au sujet de monsieur Mulroney, dans cette affaire de pots-de-vin. Les avocats l'ont dit tout à l'heure, d'abord, la requête devait rester confidentielle, les conclusions et les termes contenus dans cette requête, selon les avocats de monsieur Mulroney, sont totalement erronés, là. C'est là-dessus, là, qu'on trouve que c'est extrêmement dommageable et très, très sérieux, ça, à l'égard de monsieur Mulroney.

RÉAL D'AMOURS: Oui, bien ici, écoutez, ont dit que c'est un libelle. On dit que monsieur Mulroney avait offert au gouvernement canadien de collaborer à l'enquête. Qu'il avait également offert à la GRC, de collaborer à l'enquête mais, que pour une raison qu'ils ignorent, on a pas voulu avoir sa participation. Et, c'est pour ça que ce branle-bas de combat, et enfin, ce combat juridique va s'engager, dès lundi matin.

Si vous voulez, Claude Desbiens, j'ai avec moi, l'ancien ...

CLAUDE DESBIENS: Secrétaire de presse.

RÉAL D'AMOURS: ... chef de cabinet adjoint de monsieur Mulroney. Donc, en fait, quelle est la position de monsieur Mulroney, là-dedans?

LUC LAVOIE: La position de monsieur Mulroney, c'est qu'il ne s'est jamais objecté à la tenue d'une enquête policière. Il respecte le droit et le devoir de la GRC de faire enquête quand elle considère que cela est nécessaire.



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Mais, ce qui est tout à fait inacceptable, c'est qu'en tant que citoyen canadien, en tant qu'ancien premier-ministre du Canada, lui et sa famille, ont été gravement atteints par des affirmations qu'on retrouve dans le document qui est sur du papier officiel du gouvernement canadien, signé par un avocat, une avocate du ministère de la Justice du Canada, et qui dit, en toutes lettres, monsieur Mulrone y a été associé à des activités criminelles pendant l'époque où il était au pouvoir.

Ceci est totalement inacceptable. Je pense que c'est tellement élémentaire, c'est tellement indécent que cela m'apparaît absolument inconcevable dans un pays comme le Canada.

RÉAL D'AMOURS: Je dois dire qu'il s'agit de monsieur Luc Lavoie, qui était adjoint au cabinet du premier ministre Mulrone y, et qui, aujourd'hui, est responsable du cabinet de presse de la compagnie National et qui est chargé de ce dossier.

Donc, la présentation ayant été faite, un peu en retard. Monsieur Lavoie, est-ce qu'il y a quelque chose qui vous laisse croire que ça pourrait être vrai?

LUC LAVOIE: Pardon? Je ...

RÉAL D'AMOURS: Est-ce qu'il y a quelque chose, est-ce qu'il y a des indications ...

LUC LAVOIE: Non, attendez, je vais y répondre très rapidement à ça. Ce qui a été coulé, ce qui s'est retrouvé dans les journaux, ce matin, contient, la déclaration qu'on avait à faire là-dessus. Monsieur Mulrone y dément catégoriquement avoir eu quoi que ce soit à voir avec l'octroi de ce contrat par Air Canada à la compagnie Airbus.

Il dément également, catégoriquement, avoir des comptes bancaires en Suisse, ou dans quelque autre pays que ce soit, ailleurs qu'au Canada. Alors, le démenti est total, catégorique et sans équivoque.

RÉAL D'AMOURS: Sans équivoque! Donc, au cours des prochains jours, c'est lundi que va s'engager la procédure judiciaire?

LUC LAVOIE: Voilà, parce que c'est le week-end, l'action en cour, le document juridique va être déposé lundi matin, au greffe de la Cour.

RÉAL D'AMOURS: Je pense ce qui est important, c'est qu'il y a une poursuite juridique de 50 millions de dollars, 25 millions à titre de dommages personnels et 25 millions qui seraient à titre exemplaire, versés à des œuvres de charité.

LUC LAVOIE: N'est-ce pas, oui. Tout à fait! Vingt-cinq millions de dollars de dommages réels, et l'autre 25 millions de dollars, ou enfin, ce que la Cour décidera, sera versé à des œuvres charitables.

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RÉAL D'AMOURS: Mais, c'est une action qu'on qualifie de tout à fait irraisonnable.

LUC LAVOIE: Qui a qualifié l'action déraisonnable?

RÉAL D'AMOURS: Non, non, mais en fait, c'est-à-dire que l'accusation est totalement injustifiable.

LUC LAVOIE: Bien, non seulement est-elle injustifiable, mais, moi, je me permets de dire des choses que les avocats ne peuvent pas dire. Elle est carrément scandaleuse. Enfin, on ne peut pas comme ça, écrire à un gouvernement étranger, sur du papier officiel du gouvernement canadien, et dire d'un citoyen canadien, qu'il ait été premier-ministre du Canada ou pas, qu'il est un criminel!

Surtout quand les seules preuves qu'on a, et ils le reconnaissent eux-mêmes, vous avez dû voir les commentaires qui ont été fait par le sergent Ringelwald (orth?) de la GRC, il dit lui-même, que les allégations sont basées sur une émission de télévision. Ça ne fait pas très sérieux, quand même!

RÉAL D'AMOURS: Monsieur Lavoie, merci beaucoup!

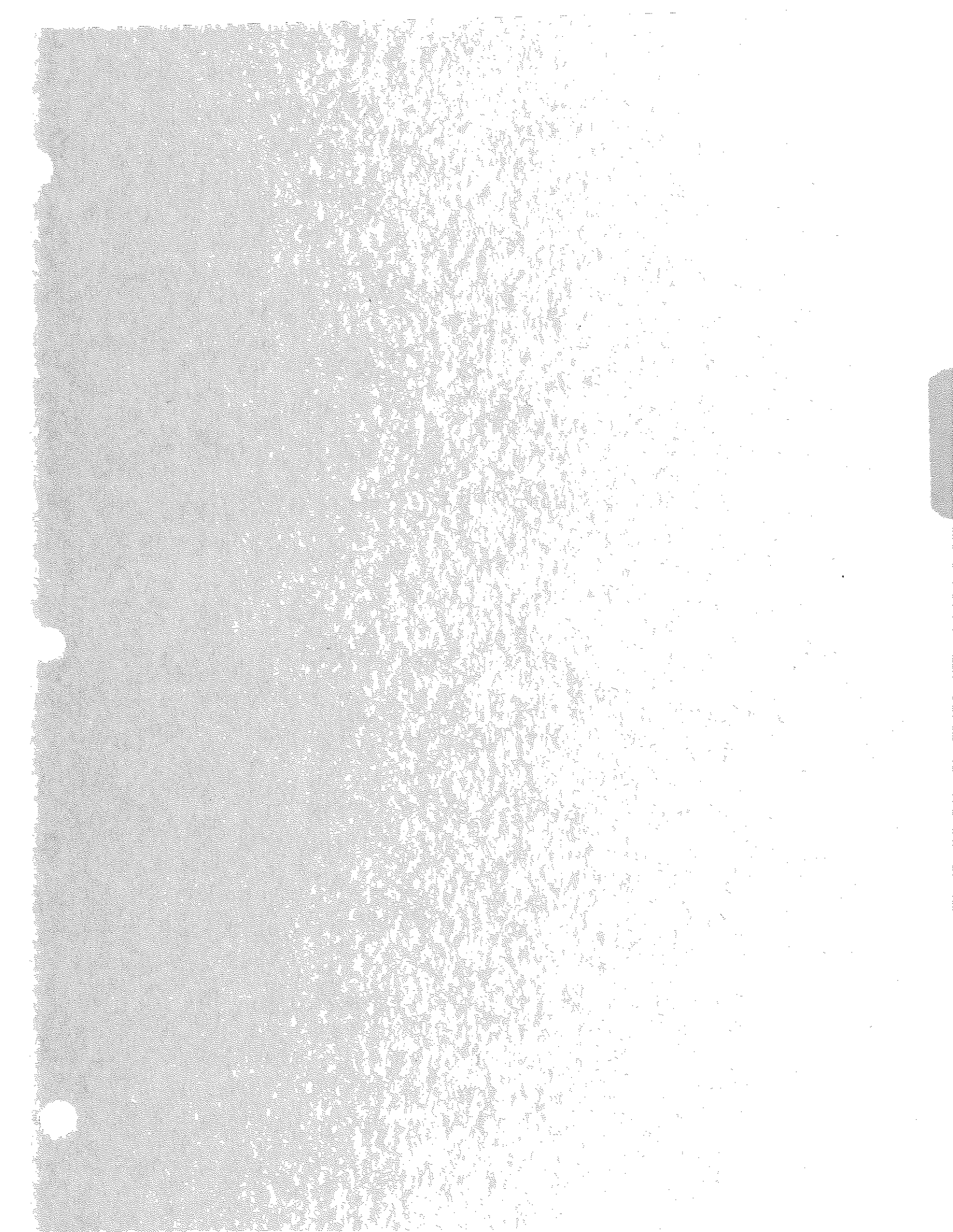
CLAUDE DESBIENS: Merci beaucoup, Réal! Merci beaucoup! C'est tout le temps que nous avons. Je vous remercie de votre collaboration. Voilà, Mesdames et Messieurs, pour résumer cette conférence de presse. L'ancien premier-ministre Brian Mulroney, comme l'a dit monsieur Lavoie et ses avocats, nie formellement toute implication dans une présumée affaire de pots-de-vin qu'aurait versés le constructeur aéronautique Airbus.

Ses avocats disent que monsieur Mulroney n'a jamais tenter d'influencer, de quelque manière que ce soit, l'achat de ces 34 appareils Airbus, effectué à Air Canada à la fin des années 80. C'est la Financial Post qui reprenait cette histoire qui faisait état d'une requête du ministère de la Justice aux autorités suisses sur tout élément de preuve qui pourrait lier monsieur Mulroney à cette affaire.

Il y aura donc une action en libelle diffamatoire qui sera déposée lundi, une action de 50 millions. Voilà, ça complète cette émission spéciale.
(po)

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Mulroney to launch \$50-million libel suit

Denies Airbus 'scam'

ANDY RIGA
THE GAZETTE

Brian Mulroney plans to launch a \$50-million libel suit tomorrow over a Justice Department letter that alleges the former prime minister received kickbacks from a European-based company that sold \$1.8 billion worth of airplanes to Air Canada in 1988.

Three lawyers hired by Mulroney announced the action at a news conference yesterday after the Financial Post published parts of a Sept. 29 letter sent to Swiss

authorities by Justice Department senior counsel Kimberly Prost.

"Any fair-minded person who knows what happened here will easily see that the rights of Mr. Mulroney and of his family have been gravely violated," said Harvey Yarosky, one of his lawyers.

Yarosky said the letter, on Justice Department letterhead, says the government of Canada believes "that Mr. Mulroney was involved in a criminal conspiracy to accept payments for influencing Air Canada's decision to buy airplanes from Airbus."

The letter "leads the reader to believe that Mr. Mulroney received illegal commissions through a numbered Swiss bank account in exchange for influencing Air Canada's decision," Mulroney's lawyers said in a statement.

Yarosky said Mulroney "categorically and unequivocally states that he had absolutely nothing to do with Air Canada's decision to buy Airbus, nor did he receive a cent from anyone. He was simply not part of any conspiracy whatsoever."

He said he advised Mulroney not to appear at the news conference. "The proper place now for Mr. Mulroney to give his version, to say what he has to say, is in court," Yarosky said.

But the lawyers did release a one-sentence statement from him. "The false and reckless allegations made by the Department of Justice have the effect not only of damaging my reputation and hurting my family, but also of besmirching and distorting the good name of Canada."

Gérald Tremblay, another of Mulroney's lawyers, said he will file the suit in Superior Court tomorrow morning. He said Mulroney is demanding \$25 million for damages to his reputation and another \$25 million

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SUIT Names federal government, lawyer, RCMP

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in punitive damages. Tremblay said Mulrony will give any punitive damages to charitable organizations.

He noted that Mulrony "has an excellent reputation around the world" and such allegations have tarnished his name.

Tremblay said the suit will name the government of Canada, RCMP Commissioner J.P.R. Murray, Justice Department lawyer Prost and Sgt. Fraser Fiegenwald, the RCMP officer in charge of the investigation.

Justice Department and RCMP officials could not be reached for comment.

There has been fevered speculation about who in the Mulrony government was named in the letter since Switzerland confirmed on

Monday that Canada had asked Swiss officials to freeze any bank accounts linked to alleged bribes in the Air Canada purchase.

In March, the CBC program Fifth Estate said Airbus Industrie, a consortium of French, German and British interests, had paid secret commissions to help land the sale to Air Canada. It quoted an unnamed source as saying a German entrepreneur helped open two Swiss bank accounts: one for Frank Moores, former Newfoundland premier and an Ottawa lobbyist in the Mulrony era, and the other for an unnamed Canadian politician. Moores has denied any involvement in the sale.

The CBC show alleged the secret commissions amounted to about \$20 million.

Another Mulrony lawyer, Roger Tassé, told reporters that Mulrony

called him after hearing about the letter. (Tassé refused to say when Mulrony learned of the letter).

Tassé said that on Mulrony's request, he spoke with senior Justice Department and RCMP officials involved in the investigation. He said Mulrony wanted the Justice Department to retract the letter but was ready to sit down with investigators and talk about the allegations.

Tassé said the RCMP and Justice Department officials he spoke to refused Mulrony's offer to meet and refused to retract the letter. He said the RCMP assured him that the letter would be kept confidential.

Tassé said Mulrony doesn't object to an investigation of the sale. "What he objects to is the terms used, the conclusions given in the document; that he with others conspired to defraud the government of Canada."



Lawyer Gérard Tremblay will file libel suit in Superior Court.

CP

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Poursuite de 50 millions de Mulroney

Il accuse la GRC et le ministère de la Justice de diffamation dans une affaire de pots-de-vin.

ÉRIC TROTTIER

Mis en cause par le ministère fédéral de la Justice dans une affaire de pots-de-vin, l'ancien premier ministre du Canada Brian Mulroney a annoncé hier qu'il intentera une poursuite de 50 millions de dollars contre le gouvernement et la Gendarmerie royale du Canada.

La poursuite, qui découle d'un reportage paru hier matin dans le *Financial Post* de Toronto, sera déposée demain en Cour supérieure du Québec, au palais de justice de Montréal.

Le *Financial Post* d'hier fait état d'une lettre de 13 pages, signée par un procureur principal du ministère de la Justice à Ottawa, Kimberly Prost, envoyé au gouvernement suisse le 29 septembre, au sujet des « activités criminelles de l'ancien premier ministre » du Canada.

De fait, le document accuse carrément l'ancien premier ministre d'avoir accepté des commissions secrètes lors de l'achat des 34 Airbus A320 par Air Canada, en 1988, à une époque où M. Mulroney était encore en poste à Ottawa et alors que le transporteur aérien était une société de la Couronne.

Dans cette lettre rédigée en allemand, expédiée à la demande de la GRC, le ministère de la Justice précise que M. Mulroney a participé à une « conspiration » visant à « frauder le gouvernement canadien de plusieurs millions de dollars ».

Mme Prost indique que le seul moyen de prouver ces allégations est d'obtenir certaines informations précises sur deux comptes bancaires suisses dont un aurait servi à transférer une partie de l'argent à M. Mulroney.

Fait à signaler, le *Financial Post* souligne qu'après une lecture attentive de la lettre, on arrive à la conclusion que le ministère de la Justice ne possède pas de preuves concrètes contre M. Mulroney.

VOIR MULRONEY EN A2

MULRONEY

Poursuite de 50 millions de Mulroney

Le document serait plutôt basé sur des reportages de l'émission *Fifth Estate*, à la CBC et du magazine allemand *Der Spiegel*.

Ces reportages diffusés en mars dernier al-

léguaient que des commissions secrètes évaluées à 17 millions, en vue de l'achat des Airbus par Air Canada (le contrat totalisait 1,8 milliard \$), avaient été versées au lobbyist conservateur Frank Moores, ancien premier ministre de Terre-Neuve et ami personnel de M. Mulroney, ainsi qu'à un industriel allemand, lobbyiste de Calgary, Karl-Heinz Schreiber.

Aucun de ces reportages ne mentionnait le nom de M. Mulroney. Celui de *Fifth Estate* indiquait toutefois que l'argent devait être versé dans deux comptes bancaires suisses, dont l'un devait appartenir à un « politicien canadien ».

Les accusations contenues dans cette lettre ont incité Brian Mulroney à se doter d'une super-équipe d'avocats provenant de cabinets différents. Du groupe : Harvey Yarosky, considéré par ses pairs comme l'un des plus grands criminalistes au Canada ; Gerald Tremblay, qui d'aucuns estiment comme le meilleur civiliste au Québec ; Fred Kaufman, ancien juge de la Cour d'appel du Québec et associé de Me Yarosky ; Roger Tassé, ancien sous-ministre fédéral à la Justice et éminent avocat de la région d'Ottawa, qui a régulièrement représenté le gouvernement canadien dans le passé.

Appuyés par le Cabinet de relations publiques National (qui s'enorgueillit d'être le meilleur gestionnaire de « crises » au pays), trois de ces avocats ont organisé une conférence de presse, hier après-midi, pour annoncer la poursuite en diffamation.

« M. Mulroney n'a absolument rien à voir dans la décision d'Air Canada d'acheter des Airbus ; il n'a pas reçu d'argent et n'a participé à aucun complot, a d'entrée de jeu déclaré Me Yarosky. Ces affirmations ont été faites sans fondement et sans que la GRC donne la chance à M. Mulroney de faire connaître sa version des faits. C'est injuste et indécent. »

« La réputation de M. Mulroney a été gravement attaquée par le gouvernement canadien et la GRC », a ajouté Me Tremblay, pour qui le « mal est déjà fait » et les « dommages sont incalculables ».

Les avocats affirment avoir contacté le commissaire de la GRC Phillip Murray, ainsi que le ministère de la Justice, afin que M. Mulroney puisse rencontrer les enquêteurs de la GRC pour répondre à leurs questions. « Mais ils ont refusé », ajoute Me Yarosky.

Selon lui, le tort fait par la lettre à M.

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Mulroney et à sa famille est à ce point atroce que l'ancien premier ministre n'avait pas d'autre choix que de défendre son honneur par cette poursuite de 50 millions.

Mc Tassé a par la suite répété que M. Mulroney était prêt à « répondre à toutes les questions ». Selon lui, la GRC et le ministère de la Justice auraient pu tenter d'obtenir les informations désirées auprès des autorités suisses sans tenir des propos libelleux. Mc Tassé dit aussi avoir tenté de faire corriger les informations contenues dans la lettre, mais en vain.

Mc Tremblay, qui semble être celui qui pilotera le dossier de la poursuite, a précisé que les dommages réels (selon la réclamation) s'élevent à 25 millions et que les dommages exemplaires sont du même montant. Il a enfin affirmé que M. Mulroney versera à un organisme de charité le montant des « dommages exemplaires » qui pourrait éventuellement lui être accordé.

Pour sa part, le premier ministre Chrétien, en visite au Japon, où il assiste à une réunion du Forum de la coopération économique Asie-Pacifique (APEC), a déclaré ne jamais avoir eu connaissance de la lettre du ministère de la Justice. « Je ne suis au courant de rien. Il s'agit d'une enquête policière. Ils font leur travail et ne m'envoient aucune information. Je n'en demande pas non plus », a dit le premier ministre. □

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Mulroney suing Ottawa

Ex-PM demanding \$50 million following kickback allegation

By Donald McKenzie
Canadian Press

MONTREAL -- BRIAN Mulroney will demand \$50 million in total damages from the federal government and the RCMP commissioner over allegations linking the former prime minister to kickbacks in Air Canada's purchase of 34 Airbus jetliners.

"Any fair-minded person who knows what happened here will easily see that the rights of Mr. Mulroney and of his family have been gravely violated," lawyer Harvey Yarosky told a news conference yesterday.

Yarosky is one of five high-profile lawyers who will handle the \$50 million suit, which will be filed in Quebec Superior Court tomorrow.

Mulroney is seeking \$25 million in damages to his reputation and \$25 million in punitive damages, said lawyer Gerald Dromblay. Any award for punitive damages will be given to charity, he added.

There was no immediate comment from federal officials.

The news conference followed a story in the Financial Post yesterday that indicated the federal Justice Department had named Mulroney in a letter sent to Swiss authorities last September at the request of the Mountain.

Yarosky said Mulroney's reputa-



Mulroney: seeks redress

tion has been damaged by the contents of the letter.

"The government of Canada, on the stationery of the government of Canada, writes a letter to another government . . . in which it says: 'We believe that Mr. Mulroney was involved in a criminal conspiracy to accept payments for influencing Air Canada's decision to buy airplanes from Airbus.'"

Yarosky said the allegations are ungrounded.

Continued
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Mulroney denies a role in decision to buy 34 jets

Reports suggest \$17 million in kickbacks paid to Canadians

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"Mr. Mulroney categorically and unequivocally states that he had absolutely nothing to do with Air Canada's decision to buy Airbus jets. He would be receiving a seat from any case. He was simply not part of any conspiracy whatsoever," Yarosky said.

Another lawyer, Roger Tasse — a former deputy justice minister in Ottawa — said the Justice Department and RCMP even refused to listen to Mulroney's side of the story when he offered to cooperate with them.

The defendants named in the lawsuit are the government of Canada; RCMP Commissioner Phil

Among those named in the March news reports were Karl-Heinz Schreiber, a German-Canadian businessman with Iboy Inc., and Frank Moores, former Conservative premier of Newfoundland and a lobbyist in Ottawa when Mulroney was prime minister.

The Fifth Estate quoted an unnamed source as saying Schreiber helped set up two Swiss bank accounts — one for Moores and another for an unidentified Canadian politician. Moores has consistently denied any wrongdoing.

The program said the commissions were paid to International Aircraft Leasing, a Lechitzstein-based shell company controlled by Schreiber.

Questions have swirled for years around the role of various Conservative politicians and lobbyists in Air Canada's 1988 purchase of 34 mid-range passenger jets from the European consortium Airbus Industrie.

The RCMP first heard allegations in 1988 but dropped the case for lack of evidence.

The investigation was revived after reports in March — by the German news magazine Der Spiegel and the CBC-TV current affairs program the Fifth Estate — suggested that Airbus paid \$17 million in kickbacks to Canadians for the jet sales.

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The Edmonton Sun, Monday, November 20, 1995

NEWS 3

Political vendetta?

Accusations fly over Airbus allegations

By ROBERT FIFE and SEAN DURKAN
Sun Ottawa Bureau

OTTAWA — Brian Mulroney claims in a \$50-million lawsuit today that top government officials were warned but persisted in falsely accusing him of "criminal wrongdoing" in the alleged Airbus bribery scandal. The former Tory prime minister says the "false and reckless allegations" damaged his reputation and "the good name of Canada."

Despite being told weeks ago the accusations were false, Mulroney says Justice Minister Allan Rock and RCMP Commissioner Phillip Murray went ahead and accused him of receiving kickbacks in the \$1.8-billion sale of Airbus jets to Air Canada in 1988.

Tory Senator Marjory LeBreton, a former Mulroney aide, believes the action is "politically motivated."

LeBreton scoffed at Prime Minister Jean Chretien's claim he didn't know about the decision to ask Switzerland to freeze two bank accounts allegedly held by Mulroney and ex-Newfoundland premier Frank Moores.

Chretien told reporters before returning home from an economic summit in Japan he

didn't know of the RCMP probe.

"The prime minister had to know," LeBreton said, noting Mulroney's former deputy justice minister, Roger Fasse, contacted Rock and Murray to refute the allegations of kickbacks in October.

LeBreton called for Rock's resignation and accused the Grits of orchestrating the inquiry to get back at the Tory-dominated Senate for stalling the gun control bill and the cancellation of the Pearson Airport privatization deal.

Tory Senator Findlay Macdonald, who heads the Pearson inquiry, disputes LeBreton's claim of a political vendetta.

"I will not speculate how recent allegations against Brian Mulroney could be related to the Pearson inquiry or to the gun bill," Macdonald said.

Mulroney has privately told friends the lawsuit to be filed in Quebec Superior Court today "will curl the hairs of anyone who cares about justice."

Luc Lavoie, a former Mulroney aide, said

the Liberals are basing the charges on a CBC Fifth Estate report and an unnamed aeronautical source with a "criminal record."

Lavoie said there isn't a shred of evidence to connect Mulroney to allegations certain Tories got up to \$20 million in Airbus commissions in the sale of 34 passenger jets to Air Canada.

"These accusations are outrageous... This guy has taken enough. He is suing to protect his reputation — which may not be good in Canada — but is irrefutable around the world," Lavoie said.

Mulroney is seeking \$50 million in damages.

Harvie Andre, former MP for Calgary-Centre, said Rock should resign if he knew his officials wrote Swiss authorities saying Brian Mulroney received commissions for the 1988 Airbus deal.

"It's inconceivable to me that a letter... of such importance would be sent to a foreign government without the minister being

aware of it," said Andre, house leader in the Mulroney government.

Although he is ultimately responsible for the actions of the government, Chretien said yesterday he doesn't want a briefing on the investigation.

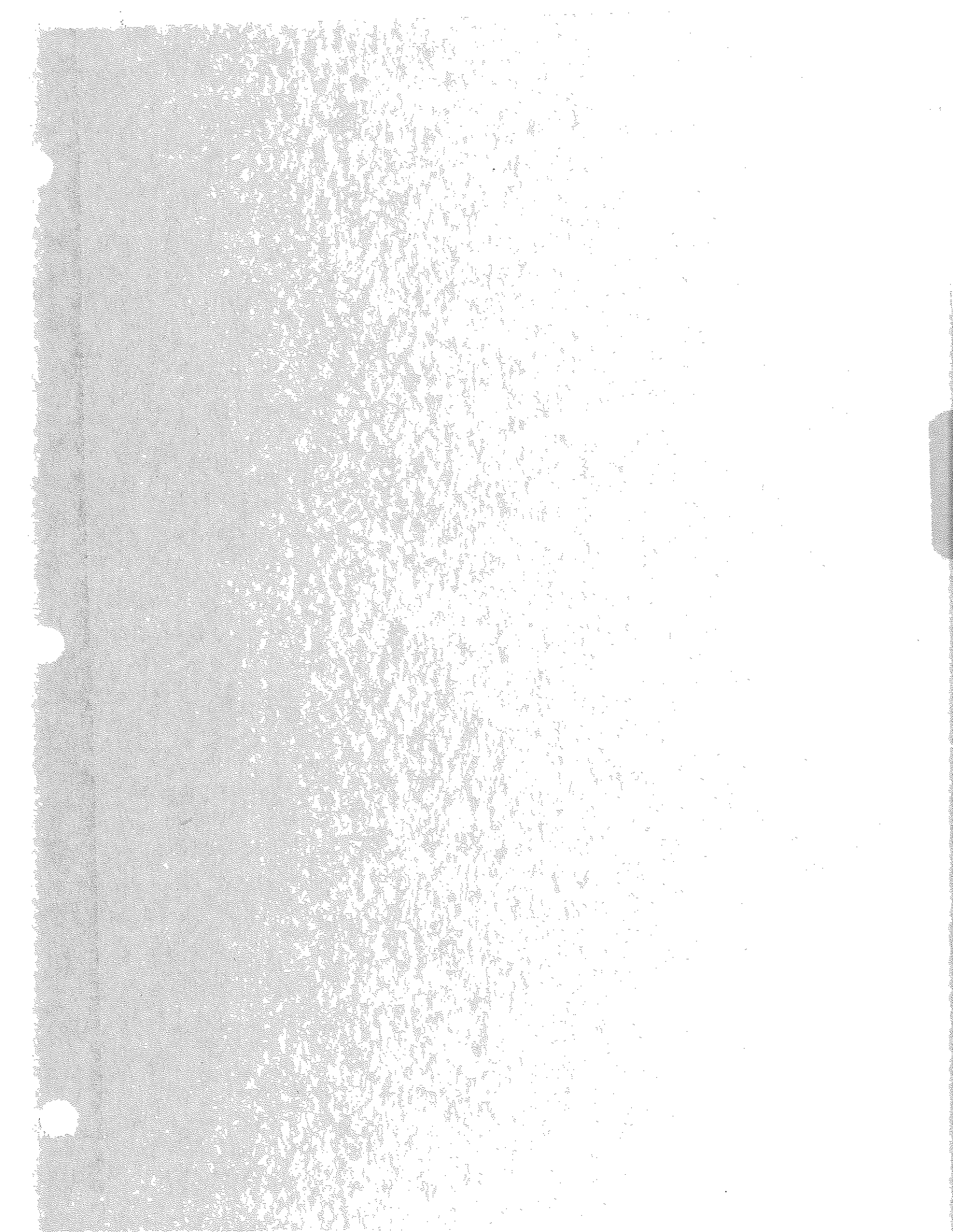
Chretien avoided answering whether this means he has complete faith in the Justice Department and the RCMP in this case, although he did say the RCMP "operates within the law of the land."

"If there is a case, there will be a charge. If there is no case there will be no charge," Chretien said.



Brian Mulroney
Suing for \$50M

—AP/Wide World from Starburst/Chasen in Calgary



CANADA

PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL

COUR SUPÉRIEURE

N° 500-05-012098-958

LE TRÈS HONORABLE BRIAN MULRONEY, c.p., avocat, domicilié au 47 Forden Crescent, Westmount, district de Montréal, province de Québec, H3Y 2Y5;

Demandeur

c.

LE PROCUREUR GÉNÉRAL DU CANADA, représentant Sa Majesté la Reine, du Chef du Canada, représenté par le ministre de la justice, l'Honorable Allan Rock, c.p., c.r., Édifice de la Confédération, suite 448, Chambre des communes, Ottawa, Ontario, K1A 0A6;

-et-

MADAME KIMBERLY PROST, avocate, fonctionnaire et préposée de Sa Majesté la Reine, Immeuble Justice, rue Kent et Wellington, Ottawa, Ontario, K1A 0A6;

-et-

MONSIEUR J. P. R. MURRAY, Commissaire de la Gendarmerie Royale du Canada, 1200 Vanier Parkway, Ottawa, Ontario, K1A 0R2;

-et-

MONSIEUR FRASER FIEGENWALD, membre de la Gendarmerie Royale du Canada, 1200 Vanier Parkway, Ottawa, Ontario, K1A 0R2;

Défendeurs

DÉCLARATION PRÉCISÉE

1. Le demandeur fut Premier ministre du Canada pendant près de deux (2) ans;

2. Il est un avocat de stature internationale et est un des associés principaux de l'un des plus prestigieux cabinets d'avocats canadiens;
3. Le demandeur siège également sur de nombreux conseils d'administration, occupe diverses charges et détient de nombreux titres honorifiques, le tout tel qu'il appert de son *curriculum vitae*, produit aux présentes sous la cote P-1;
4. La stature internationale du demandeur à titre d'ancien homme d'état et d'avocat universellement connu lui donne accès à un cercle sélect et extrêmement exclusif de chefs d'états et de décideurs d'affaires d'envergure mondiale et lui fait bénéficier d'un considérable achalandage de mandats importants et prestigieux;
5. Le 29 septembre 1995, la défenderesse Kimberly Prost signait, à titre d'avocat-conseil, directeur du Groupe d'Assistance Internationale au ministère de la justice du Canada, une demande d'aide adressée au ministère de la justice Suisse, le tout tel qu'il appert de ladite demande d'aide produite aux présentes sous la cote P-2, avec une traduction de l'allemand à l'anglais, produite «en liasse» sous la même cote;
6. Ladite demande d'aide était émise en relation d'une enquête de la Gendarmerie royale canadienne, concernant des allégations, véhiculées par les médias au sujet de commissions secrètes alléguées perçues par des fonctionnaires canadiens en relation de l'octroi de contrat d'achat d'avions d'Airbus par Air Canada;

EN GUISE DE PRÉCISIONS REQUISES AU PARAGRAPHE 6b) DE LA REQUÊTE POUR PRÉCISIONS, LE DEMANDEUR AJOUTE:

- 6.1 Les allégations véhiculées par les médias au sujet de commissions secrètes sont celles dont fait état la pièce P-2 et qui sont mentionnées comme étant transmises avec ladite demande d'aide P-2, soit l'émission du «*Fifth Estate*» du réseau C.B.C. en date du 28 mars 1995, dont l'enregistrement est produit sous la cote P-2.1, ainsi que les articles du Magazine *Der Spiegel* du 20 mars et 3 avril 1995, dont une traduction anglaise est produite sous la cote P-2.2 «en liasse» avec une copie allemande de ces deux articles;
7. Tel qu'il appert de cette demande d'aide, le gouvernement canadien, par ses représentants, demandait au gouvernement suisse de l'aider à poursuivre son enquête et demandait à obtenir accès à certains comptes de banque ainsi qu'à leur documentation d'ouverture et à leurs détails d'opérations;

8. Cette demande d'aide, adressée par le gouvernement canadien au gouvernement suisse, contient de très graves allégations à l'encontre du demandeur, toutes totalement fausses;

9. Sans restreindre la portée de l'alinéa précédent, les passages les plus pertinents de la demande d'aide sont: [TRADUCTION]

i. All information, documentation and further evidence which Switzerland offers to Canada will be used exclusively in the investigation and criminal prosecution of alleged breaches of law committed by Martin Brian Mulroney and/or Frank Moores. (...)

ii. In his position as Prime Minister, Mr Mulroney would have had the authority to control all transactions of the Government of Canada unless such authority is taken away by a statute.

iii. Included is the authority to approve such transactions or to influence the Minister who was entitled to approve the transaction. He [the Prime Minister] was entitled to appoint and to dismiss Ministers. It was his job to manage the government in the best interest of all Canadians. (...)

iv. On March 13, 1985, Mr Mulroney appointed Mr Moores as a Member of the Board of Air Canada. The police is in possession of reliable information, that Mr Schreiber received these commissions in order to compensate Mr Mulroney and Mr Moores to make sure that Airbus Industries would receive a larger order from Air Canada. (...)

v. The police was informed that Mr Moores travelled to Switzerland in 1986 or 1987 in order to establish two bank accounts with the numbers 34107 and 34117, the latter under the code word "Devon", with Swiss Bank Corporation in Zurich. Account No. 34117 was established to direct a part of these amounts to Mr Mulroney.

vi. After a long evaluation procedure, the Board of Air Canada approved the purchase of 34 Airbus A320 aircraft, of a total value of approx. Can\$ 1.8 billion. This took place on March 30, 1988. The Treasury Board of Canada approved this transaction. The Treasury Board is appointed by the Prime Minister.

- vii. The German news magazine, Der Spiegel, and a program of the CBC, reported in March 1995 that IAL signed a contract with Airbus Industries after Airbus Industries had paid an amount of 2 to 2.5% of the total amount to IAL. IAL (SCHREIBER) supposedly paid a commission to Frank Moores for every sale. The latter supposedly paid a commission to a Canadian politician. The CBC report made a connection between Mr Mulroney and these payments.
- viii. It was alleged that Airbus Industries paid the amounts to account No. 235 972 037 in Liechtenstein which is owned by IAL. The amounts were transferred to the account of IAL No. 18679 with Swiss Bank Corporation in Zurich. The reports point to the suspicion that these amounts were used for payment for the assistance of Mr Moores and Mr Mulroney and were transferred to the accounts of these two gentlemen with the same bank.
- ix. The transfers were carried out at regular intervals when Air Canada received the planes and paid for [them].
- x. These payments could still continue since Air Canada has an option for the purchase of planes until 1996.
- xi. The police has seen copies of the documents which were used by the CBC and Der Spiegel and believes that more than Can\$ 11 million were transferred between 1988 and 1991 in the above described manner.
- xii. There are no documents available regarding 1992 and later. Nevertheless, the reliable source believes that these payments continued until the resignation of Mr Mulroney. The agreement between IAL and Airbus Industries would have involved an amount of approximately US\$ 20 million once all 34 aircraft were delivered. A reliable source told the RCMP that 25 percent of these amounts were destined to be paid to Mr Mulroney.
- xiii. A video of the CBC program and a copy of Der Spiegel's report is enclosed as Annex A.
- xiv. The police believes that Mr Schreiber and Mr Moores had a secret agreement with Mr Mulroney regarding payments to make sure that Airbus Industries and Air Canada made the purchase agreement. Mr Mulroney appointed Mr Moores as a Member of the Board in order to increase the credibility of Air Canada regarding its ability to perform.

The payments were to begin after execution of the contract between Airbus Industries and IAL in March 1985 and were to go on until the end of the option in 1986.

- xv. The agreement is supposed to contain a clause which stipulates that the payments must be stopped when the political situation in Canada changes.
- xvi. Mr Mulroney resigned as Prime Minister shortly before the federal election of October 25, 1993, and it is believed that the agreement was terminated at the time of his resignation. (...)
- xvii. Mr Mulroney was in a position of influence as Prime Minister. The payments (commissions) increased the costs for the planes and, therefore, the people of Canada were defrauded in that amount.
- xviii. Two more orders of the Federal Government of Canada led to commission payments to IAL and Frank Moores and Brian Mulroney would have received a part of this. (...)
- xix. A confidential and reliable person communicated to the police that a part of this amount was paid to Mr Mulroney in order to make sure that MBB will get the contract. (...)
- xx. In the case of the Bear Head Projects and the MBB order, Mr Moores acted as private advisor, in order to facilitate the flow of money to Mr Mulroney. A reliable source says that IAL made monthly payments to Mr Moores regarding the MBB contract until at least April 22, 1988. This source believes that part of all payments made to Mr Moores and Mr Schreiber was transferred to Mr Mulroney.
- xxi. The three above-mentioned cases are proof of a persisting plot/conspiracy by Mr Mulroney, Mr Moores and Mr Schreiber to defraud the Canadian Government of millions of dollars during the time when Mr Mulroney was in office, until his resignation in June 1993. (...)
- xxii. In order to establish that Mr Mulroney committed a crime according to Section 121(1), it is absolutely required that all funds, which were transferred from accounts No. 34107 and 34117 and from other accounts which Mr Mulroney owns, can be traced to him or to a place where he could personally use the funds. (...)

10. Ladite demande d'aide contenait la péroraison suivante:

«The investigation is of special importance to the Canadian government because criminal activities carried out by the former Prime Minister are involved.»

11. Toutes les allégations précitées relatives au demandeur sont fausses, et ont été formulées à son encontre par les défendeurs, qui les savaient générées par de la spéculation médiatique, qui se savaient totalement incapables d'en prouver quelqu'une et qui se montraient totalement indifférents à l'impact désastreux qu'elles auraient sur la réputation du demandeur auprès du gouvernement suisse, auprès de la communauté d'affaires suisse qui devait nécessairement en recevoir copie et auprès de l'opinion internationale qui ne pouvait manquer d'en être saisie, considérant les circonstances ci-après décrites;

EN GUISE DE PRÉCISIONS REQUISES AUX PARAGRAPHES 11g), 22a) ET b) ET 23a) DE LA REQUÊTE POUR PRÉCISIONS, LE DEMANDEUR AJOUTE:

11.1 AU MEILLEUR DE SA CONNAISSANCE, LA DEMANDE D'AIDE P-2 FUT TRANSMISE INTÉGRALEMENT AU GOUVERNEMENT SUISSE, AUX PERSONNES SUIVANTES:

- 11.1.1 - l'ambassadeur canadien, à Berne;
- un officier de liaison de la Gendarmerie Royale du Canada, à Berne;
- le ministère des affaires étrangères suisse;

11.1.2 La demande fut alors acheminée à l'office de la police du département fédéral de justice et police («l'office fédéral»);

11.1.3 L'office fédéral chargea le bureau du procureur général suisse de l'exécution de la demande;

11.1.4 Le bureau du procureur général chargea Me Carla Del Ponte, procureur général fédéral, de l'exécution de la demande;

11.1.5 L'Ordonnance (pièce P-7) fut signifiée, avec, en annexe, la pièce P-2, le demandeur ignorant si la pièce P-2 annexée à l'Ordonnance l'était dans son intégralité, ou dans une version expurgée, ladite Ordonnance ayant été signifiée

au Conseil d'administration de la Swiss Bank Corporation,
composé de:

- Walter G. Frehner
Président, Riehen
- Alex Krauer
1^{er} Vice-président, Président du Conseil
d'administration et Administrateur
délégué de Ciba-Geigy S.A., Bâle, Riehen
- Georg Krneta
II^e Vice-président, avocat, Président du
Conseil d'administration de Landis & Gyr
S.A., Zoug, Muri près Berne
- Christophé Babalantz
Président de la direction de la Société Anonyme l'Energie
de l'Ouest-Suisse
(EOS), Lausanne, Mont-sur-Lausanne
- Peter Bockli
Professeur à l'Université de Bâle, avocat,
Binningen
- Luc Bonnard
Administrateur-délégué de Schindler Holding S.A.,
Hergiswil, Hergiswil
- Pierre Borgeaud
Président du Conseil d'administration de Sulzer S.A.,
Winterthur, Winterthur
- Anton H. Bucher
Président du Conseil d'administration et
Administrateur-délégué de Bircher
Holding S.A., Beringen, Küssnacht ZH
- Urs Buhler
Président du Conseil d'administration et
Président du directoire de Bühler S.A.,
Uzwil, Uzwil
- Thomas P. Gasser
Directeur général et Senior Corporate
Officer d'ABB Asea Brown Boveri S.A.,
Zurich, Zurich
- Gaston Gaudard
Professeur aux Universités de Fribourg et Lausanne, Marly
- Esther Grether
Présidente du Conseil d'administration de Doetsch,
Grether & Cie S.A., Bâle, Bottmingen

- Carlos Grosjean
Vice-président du Conseil d'administration de la Société
Suisse
de Ciment Portland S.A., Neuchâtel, Auvornier
- Jacques-Henri Hübscher
Président du Conseil d'administration de Caran d'Ache S.A.,
Thônex, Genève
- Rolf Hüppi
Administrateur-délégué de «Zurich» Compagnie
d'Assurances,
Zurich, Herrliberg
- Franco Masoni
Avocat et notaire, Lugano
- Georges-Adrien Matthey
Avocat, Auvornier
- Bernd Menzinger
Président de la direction du Groupe Danzas Holding S.A.,
Bâle, Oberwil BL
- Hans Peter Ming
Administrateur-délégué de Sika Société de Financement
S.A.,
Baar, Zumikon
- Peter Nydegger
Membre de la Direction du Groupe Swissair S.A.
Suisse pour la Navigation Aérienne, Zurich, Zurich
- Beat A. Sarasin
Administrateur de la Banque Sarasin & Cie, Bâle, Riehen
- Rolf Schauble
Président du Conseil d'administration de la Bâloise Holding,
Bâle, Staufeu AG
- Jacob Schmidheiny
Président du Conseil d'administration et Administrateur-
délégué de Tulleries Zurichoises Holding, Zurich, Zollikon
- Rolf W. Schwelzer
Administrateur-délégué de Sandoz S.A. et président de la
direction,
Bâle, Oberwil BL
- Secrétaire
Walter Schümperli, Bâle

- 11.2 Ce conseil d'administration de la Swiss Bank Corporation dirigea l'Ordonnance à tout le moins aux services suivants de la banque, à Zurich:
- à son directeur;
 - à son contentieux;
 - au service de la documentation;
 - au service des archives;
- 11.3 Le procureur général fit également signifier l'Ordonnance aux clients de la banque visés par la demande;
- 11.4 Le service des appels administratifs du ministère de la Justice fut ensuite chargé de se saisir de l'affaire, comme premier palier de pourvoi;
- 11.5 La Cour Suprême fédérale est l'instance saisie, comme deuxième palier de pourvoi;
- 11.6 Le nombre de personnes ayant pris connaissance de la demande P-2 par le processus ci-haut décrit augmentait de façon exponentielle le risque de sa divulgation médiatique, tel qu'il sera prouvé, par expertise, en temps opportun;
12. Sans limiter la généralité de ce qui précède, ces allégations sont fausses, en ce que;
- i. le demandeur n'a jamais détenu, directement ou indirectement, de compte de banque en Suisse ou dans quelque autre juridiction étrangère;
 - ii. le demandeur n'a jamais reçu aucun des paiements allégués, sous quelque forme que ce soit, de quelque personne nommée ou non dans la demande d'aide, pour quelque considération alléguée que ce soit;
 - iii. le demandeur n'a pas, directement ou indirectement, influencé ou tenté d'influencer la décision d'Air Canada, ni n'a été impliqué de quelque autre manière que ce soit dans son processus décisionnel;
 - iv. le demandeur n'a été parti à aucune entente alléguée à la demande d'aide, avec messieurs Schreiber ou Moores, ou avec

toute autre personne non mentionnée, à quelque fin alléguée que ce soit;

- v. contrairement à l'affirmation des défendeurs à la demande d'aide, CBC admit, au cours du reportage mentionné, être dans l'impossibilité de relier le demandeur à quelque une des transactions alléguées;

- 13. Il ressort de la lecture de la demande d'aide que les défendeurs se basaient strictement et essentiellement sur des reportages publiés dans les médias pour soutenir leurs allégations, sauf pour la mention d'une source non identifiée;

EN GUISE DE PRÉCISIONS REQUISES AUX PARAGRAPHES 12a) ET 13b) ET c) DE LA REQUÊTE POUR PRÉCISIONS, LE DEMANDEUR AJOUTE:

- 13.1 Le demandeur a produit aux présentes les Pièces P-2.1 et P-2.2, auxquelles la Pièce P-2 semble faire référence, les seules parties sachant s'il s'agit bien des pièces transmises au Gouvernement Suisse étant les défendeurs eux-mêmes;

- 14. Lors d'une déclaration à la presse, le mardi 14 novembre 1995, le défendeur Fraser Fliegenwald, responsable de l'enquête, admit que son service se basait essentiellement sur du «bruit médiatique» pour faire les allégations contenues à la demande d'aide et expliqua que dans les circonstances, vu l'absence de preuve, il n'aurait pu obtenir la collaboration d'un gouvernement étranger sans «nommer des noms»; Il était cité comme suit, dans *The Globe and Mail* du mercredi 15 novembre 1995, à la page A4:

«Normally you would expect names to be included (...)

(...)

I can think of situations where you might not have to include a name ... but there would have to be strong evidence to show that it [the money] did go to some government official ... if you can't name him, you better have darn good evidence to justify the request otherwise.

(...)

Sgt. Fliegenwald said the RCMP had "little more than media reports" concerning allegations that money was funnelled from Airbus to I.A.L. Leasing Ltd., a shell company in Liechtenstein, and thence to numbered Swiss bank accounts.

If it is confirmed ... then we would have an investigation on our hands," he said. »

le tout tel qu'il appert d'une copie dudit article paru dans le journal *The Globe and Mail* du mercredi 15 novembre 1995, à la page A4, produite aux présentes sous la cote P-3;

15. Lors d'une autre déclaration à la presse, le mardi 14 novembre 1995, le défendeur Fraser Feigenwald admettait même que la demande de renseignements était basée sur de la spéculation médiatique. Il était cité comme suit par le *Ottawa Citizen* du mercredi 15 novembre 1995:

«There's a difference between information and evidence," Sgt. Fraser Feigenwald, the only police officer now on the case, said Tuesday. "We have to determine whether the allegations (reported by the media) are appropriate and whether they're based on fact." ».

le défendeur Feigenwald se trouvant, par ces paroles, à admettre que les allégations du gouvernement canadien à l'effet que le demandeur était impliqué dans des activités criminelles étaient dénuées de fondements factuels, le tout tel qu'il appert d'une copie de l'article paru dans le *Ottawa Citizen* du mercredi 15 novembre 1995, produite aux présentes sous la cote P-4;

16. Ces allégations ont été formulées dans la demande d'aide, par les défendeurs, au nom du gouvernement canadien, auprès d'un gouvernement étranger, sans même que les défendeurs ne tentent de quelque façon de vérifier les rumeurs médiatiques;
17. Les défendeurs refusèrent même de rencontrer le demandeur, qui offrait sa pleine collaboration pour la poursuite de leur enquête;

EN GUISE DE PRÉCISIONS REQUISES AUX PARAGRAPHES 17a) À h) DE LA REQUÊTE POUR PRÉCISIONS, LE DEMANDEUR AJOUTE:

- 17.1 Le samedi 4 novembre 1995, Me Roger Tassé téléphona au Ministre de la justice, l'Honorable Allan Rock, lui exposa brièvement la situation et demanda à le rencontrer; ce dernier répondit à Me Tassé qu'il le rappellerait le lendemain;
- 17.2 Également le samedi 4 novembre 1995, Me Roger Tassé téléphona à Me Mary Dawson, sous-ministre intérimaire eu

ministère de la justice; il laissa un message, Me Dawson étant absente;

- 17.3 Le dimanche 5 novembre 1995, Me Dawson rappela Me Tassé, entre 16h00 et 17h00, et à cette occasion Me Tassé lui fit part qu'il attendait un appel du ministre de la justice, l'honorable Allan Rock, et qu'à défaut de pouvoir rencontrer ce dernier, que Me Tassé souhaiterait la rencontrer;
- 17.4 Vers 17h00, le 5 novembre 1995, le ministre Rock rappela pour faire part à Me Tassé de son refus de le rencontrer; il le référé à ses fonctionnaires;
- 17.5 Le même jour, entre 17h00 et 18h00, Me Tassé rappela Me Mary Dawson et il lui demanda un rendez-vous; cette dernière informa Me Tassé qu'elle avait parlé à Me Prost et qu'elle trouvait préférable qu'il rencontre plutôt les membres de la G.R.C. Me Tassé insista pour rencontrer Me Dawson et un rendez-vous fut fixé pour 8h30 le lendemain matin, le 6 novembre;
- 17.6 Le même soir du 5 novembre 1995, Me Tassé téléphona au défendeur Murray et requit un rendez-vous qui lui fut fixé pour 9h30 le lendemain matin (remis à 11h30, à cause de l'affaire du 24 Sussex Drive);
- 17.7 Le lundi 6 novembre 1995, Me Roger Tassé rencontra Me Dawson et la défenderesse Prost à 8h30, au Ministère de la Justice. Me Tassé demanda d'obtenir la version anglaise de la pièce P-2, ce qu'on lui refusa, on lui indiquant de plutôt s'adresser à la G.R.C.
- 17.8 C'est lors de cette rencontre que la défenderesse Prost affirma n'avoir agi que comme «bureau de poste», pour les fins de la préparation et de la transmission de la pièce P-2 et que Me Tassé devrait plutôt s'adresser à la G.R.C. pour faire ses représentations;
- 17.9 À 11h30, le lundi 6 novembre 1995, Me Tassé rencontra le défendeur Murray, à qui il réitéra la demande d'obtention d'une copie anglaise officielle de la demande d'aide. Le défendeur Murray refusa et suggéra à Me Tassé de plutôt s'adresser au ministère de la Justice pour en obtenir copie. C'est lors de cette rencontre que Me Tassé offrit au défendeur Murray la pleine collaboration du demandeur (ce qui incluait la possibilité de le rencontrer pour fins d'interrogatoire) pour la poursuite de l'enquête de la G.R.C.;

- 17.10 M. Murray prit acte de cette offre, promit d'en parler à ses enquêteurs et de rappeler Me Tassé à ce sujet.
- 17.11 Avant de terminer l'entrevue, Me Tassé insista particulièrement sur les points suivants:
 - 17.11.1 il insista pour que l'offre de pleine collaboration de son client dans la poursuite de l'enquête de la G.R.C. soit transmise aux enquêteurs, y compris l'offre de les rencontrer personnellement pour qu'il puisse répondre à toutes leurs questions; et
 - 17.11.2 il demanda l'intervention de la G.R.C. auprès du ministère de la Justice, pour obtenir copie de la version anglaise officielle de la demande d'aide;
- 17.12 Dans l'après-midi du 6 novembre 1995, l'inspecteur Bouchard rappela Me Roger Tassé pour lui confirmer que l'offre de collaboration formulée par le demandeur lui avait bien été transmise mais qu'il la jugeait prématurée et il déclara envisager la reconsidérer, éventuellement, dans 2 ou 3 mois, si nécessaire;
- 17.13 À l'occasion de cet appel, l'inspecteur Bouchard demanda à Me Tassé de lui fournir une copie du texte allemand, texte dont tous les défendeurs étaient pourtant en possession;
- 17.14 Me Tassé téléphona néanmoins à Me Dawson pour lui faire part de la demande de l'inspecteur Bouchard et cette dernière refusa de lui transmettre copie allemande de la demande;
- 17.15 Me Tassé en informa immédiatement l'inspecteur Bouchard, par téléphone;
- 17.16 Le mardi 14 novembre 1995, après la réception de la lettre de Me Corbett (pièce P-6), Me Tassé téléphona à Me Corbett et lui demanda de le rencontrer, ce que Me Corbett refusa, tout en lui indiquant de plutôt s'adresser à la G.R.C.;
- 17.17 La même journée ou le lendemain matin, Me Tassé appela le défendeur Fiegenwald, qui accepta de le rencontrer;
- 17.18 Le mercredi 15 novembre 1995, Me Tassé rencontra le défendeur Fiegenwald et l'inspecteur Bouchard, aux bureaux de la G.R.C., entre 15h00 et 16h30;

- 17.19 À cette occasion, l'offre de pleine collaboration de M. Mulrony fut réitérée, et elle reçut la même réponse qu'à la rencontre du 6 novembre 1995;
- 17.20 Durant cette rencontre, Me Tassé informa le défendeur Fiegenwald et l'inspecteur Bouchard d'une demande télécopiée par *Der Spiegel*, nommant le demandeur en relation avec la demande d'aide et demandant des commentaires avant leur date de tombée du lendemain;
- 17.21 À la fin de cette rencontre, le défendeur Fiegenwald demanda à Me Tassé de lui mettre par écrit sa suggestion quant à un texte pouvant possiblement être envoyé aux autorités suisses;
- 17.22 Le jeudi 16 novembre 1995, Me Tassé écrivit au défendeur Fiegenwald (pièce P-8) pour lui suggérer le texte que pourrait utiliser la G.R.C. en écrivant au gouvernement suisse et à son client;
- 17.23 Vendredi 17 novembre 1995, Me Tassé reçut, à 15h07, une lettre du défendeur Fiegenwald, signifiant son refus aux suggestions contenues à la lettre de Me Tassé, le tout tel qu'il appert du texte de ladite lettre produite aux présentes sous la cote P-8.1;
18. En fait, une telle démarche, auprès du demandeur, aurait permis à tout enquêteur de bonne foi de moduler la teneur des allégations de la demande d'aide;
19. La description par les défendeurs de la fonction de Premier ministre est fautive, trompeuse, non fondée en droit et représente une vision triviale du fonctionnement du gouvernement canadien, laissant l'impression aux lecteurs étrangers que l'appareil gouvernemental canadien est en fait chapeauté par l'individu détenant le poste de Premier ministre et ce, en flagrante contradiction avec la Constitution du Canada, la *Loi sur l'administration financière*, le fonctionnement, la constitution et le rôle du Conseil des ministres, du Conseil du trésor et des autres organismes du pouvoir exécutif de l'état canadien;
20. La même fautive impression était générée quant au fonctionnement des mécanismes décisionnels de la société Air Canada, en tout temps pertinent;
21. La défenderesse Kimberly Prost admit ne s'être jamais préoccupée de vérifier la véracité des allégations contenues à demande d'aide qu'on lui soumettait, ajoutant même qu'elle avait agi à titre de simple «boîte aux lettres»;

EN GUISE DE PRÉCISIONS REQUISES AUX PARAGRAPHEs 21a)
 À e) DE LA REQUÊTE POUR PRÉCISIONS, LE DEMANDEUR
 AJOUTE:

- 21.1 C'est à Me Roger Tassé, c.r., que Kimberly Prost fit verbalement cette admission, le 6 novembre 1995, à Ottawa;
22. Quant aux défendeurs Murray et Prost, c'est sous leur autorité et avec leur autorisation que la demande d'aide fut émise et transmise au gouvernement suisse pour ensuite être transmise à l'industrie bancaire suisse, débutant un processus de publication qui aggravait l'atteinte originale à la réputation du demandeur;
23. C'est par ce processus de dissémination, par le gouvernement suisse, de la demande d'aide que le demandeur en eut vent pour la première fois au début du mois de novembre 1995;
24. Le 8 novembre 1995, Me Roger Tassé, c.r., mandaté par le demandeur, s'adressa au ministre de la justice, l'honorable Allan Rock, lui faisant part des protestations véhémentes du demandeur à l'encontre des procédés utilisés, du mal incalculable fait à sa réputation ainsi qu'à celle des membres de sa famille;
25. Le demandeur, par l'intermédiaire de son procureur, sommait le ministre de la justice de procéder au retrait immédiat de ladite demande d'aide, quitte à en émettre une autre ne contenant pas lesdites allégations, le tout tel qu'il appert d'une copie de la lettre datée du 8 novembre 1995 de Me Roger Tassé, c.r., produite aux présentes sous la cote P-5;
26. Ladite lettre fut également envoyée au Solliciteur général du Canada ainsi qu'au défendeur Murray, dans l'espoir d'atteindre le même objectif de mitiger les dommages en temps utile, en vain;
27. Or, ce n'est que six (6) jours plus tard, le 14 novembre 1995, que le gouvernement canadien, par l'intermédiaire de l'avocat sénior général W.H. Corbett, répondait au demandeur, tentant de minimiser le contenu de la demande d'aide et tentant de le rassurer en alléguant la «nature confidentielle» des allégations y contenues;
28. Le gouvernement canadien refusait toutefois la demande de retrait, formulée par le procureur du demandeur, y substituant plutôt une répétition, au gouvernement suisse, du caractère délicat de l'affaire;

«In addition, as a result of the sensitive nature of this case, the necessity for confidentiality has been repeatedly stressed with the Swiss authorities. In response to the concerns you have expressed, we have reaffirmed with the Swiss that this request is based on allegations of criminal activity, the basis of which is outlined in the request, and that given the prominent individuals named in the document the request will be dealt with in confidence, subject to the need for disclosure in order to obtain the requested information in accordance with Swiss law.»
 (nos soulignées)

le tout tel qu'il appert d'une copie de la lettre datée du 14 novembre 1995 de Me W.H. Corbett adressée à Me Tassé, c.r., produites aux présentes sous la cote P-6;

29. En effet, le 14 novembre 1995, le demandeur obtint copie de l'Ordonnance rendue par le service fédéral de police suisse, en réponse avec la demande contenue à la demande d'aide, et signifiée à la Schweizerischer Bankverein, de Zurich, qui ne contenait aucune demande de prise de précaution concernant la confidentialité du contenu de la demande d'aide qu'elle annexait, le tout tel qu'il appert d'une copie de ladite Ordonnance produite aux présentes sous la cote P-7;
30. Dès la deuxième semaine de novembre 1995, la presse internationale se saisit de l'affaire et commença à répandre des rumeurs au sujet des procédures entreprises par le gouvernement canadien auprès du gouvernement suisse, en relation de politiciens canadiens;

EN GUISE DE PRÉCISIONS REQUISES AUX PARAGRAPHES 30a), b) ET c) ET 31a) ET b) DE LA REQUÊTE POUR PRÉCISIONS, LE DEMANDEUR AJOUTE:

- 30.1 Le dimanche 12 novembre 1995, le journal *La Presse* reprenait une dépêche de *Agence France Presse*, faisant état d'une émission diffusée sur le réseau de télévision suisse alémanique DSR le tout tel qu'il appert du texte reproduit aux présentes sous la cote P-7.1;
- 30.2 Le ou vers le 13 novembre 1995, la journaliste Stevie Cameron tenta à quelques reprises d'entrer en communication avec Me Roger Tassé, qui ne retourna aucun de ces appels;
- 30.3 Le lundi 13 novembre 1995, à 13h28, M. Mark Fisher, de l'émission *Canada A.M.* du réseau C.T.V., communiquait avec le bureau du demandeur et laissait le message qu'il voulait l'entretenir de l'affaire Airbus;

- 30.4 Le lundi 13 novembre 1995 et mercredi 15 novembre 1995, les journaux *Toronto Star*, *Le Journal de Montréal*, *The Globe and Mail*, *Le Droit* et *La Presse* reprenaient la dépêche de *Agence France Presse*, le tout tel qu'il appert desdits articles qui font foi de leur contenu, produits aux présentes «en liasse» sous la cote P-7.2;
- 30.5 Le mercredi 15 novembre 1995, le journaliste Mathias Müller von Blumencron du Magazine *Der Spiegel*, communiquait avec le bureau du demandeur et laissait le message qu'il voulait l'entretenir de l'affaire Airbus;
- 30.6 Le mercredi 15 novembre 1995, à 14h00, M. Jim Lang de la station de radio torontoise Fan Radio, communiquait avec le bureau du demandeur et laissait le message qu'il voulait l'entretenir de l'affaire Airbus;
- 30.7 Le mercredi 15 novembre 1995, à 15h26, le bureau du demandeur recevait un fax de *Der Spiegel*, associant M. Mulroney à l'affaire Airbus et lui demandant ses commentaires avant leur heure de tombée, le lendemain soir, le tout tel qu'il appert d'une copie dudit fax produite aux présentes sous la cote P-7.3;
- 30.8 Le jeudi 16 novembre 1995, vers 5h00 a.m., un porte-parole du demandeur, M. Luc Lavole, retournait l'appel de *Der Spiegel* et parla au journaliste Mathias Müller von Blumencron;
- 30.9 Le jeudi 16 novembre 1995, vers midi, la journaliste Stevie Cameron communiqua avec le bureau de M. Luc Lavole, lui laissant le message de la rappeler;
- 30.10 Le jeudi 16 novembre 1995, vers 14h30, le journaliste Phillip Mathias du *Financial Post* communiquait avec le bureau du demandeur et laissait le message qu'il voulait l'entretenir de l'affaire Airbus;
- 30.11 Le jeudi 16 novembre 1995, à 16h04, le demandeur recevait un fax de *Maclean's Magazine*, associant M. Mulroney à l'affaire Airbus, et lui demandant des commentaires sur l'implication de Me Roger Tassé et sur le contenu de la demande d'aide, avant leur date de tombée, soit vendredi le 17 novembre 1995, le tout tel qu'il appert d'une copie dudit fax produite aux présentes sous la cote P-7.4;
- 30.12 Le vendredi 17 novembre 1995, à 12h10, Mme Jane Lipman de *C.B.C. News*, communiquait avec le bureau du demandeur;

- 30.13 À 15h00, le vendredi 17 novembre 1995, M. Andrew Phillips, de *Maclean's Magazine*, communiquait avec le bureau du demandeur et laissait le message qu'il voulait l'entretenir de l'affaire Airbus;
- 30.14 À 17h13, le vendredi 17 novembre 1995, M. Robert Fyfe, du *Ottawa Sun*, communiquait avec la résidence du demandeur et laissait le message qu'il voulait l'entretenir de l'affaire Airbus;
- 30.15 Vers 22h00, le vendredi 17 novembre 1995, le journaliste Craig Oliver, du réseau C.T.V., communiquait au sénateur Marjory Lebreton l'information selon laquelle il avait appris que le journal *Financial Post* allait publier l'information reliant le demandeur à l'affaire Airbus dans son édition du lendemain; M. Oliver demandait une réaction officielle de la part d'un porte-parole du demandeur parce que C.T.V. n'excluait pas la possibilité de diffuser la nouvelle à son journal télévisé «*National News*» de 23h00;
- 30.16 Vers 24h00 le 17 novembre 1995, le demandeur apprit que le journal *Financial Post* publiait l'information, ledit article étant produit aux présentes sous la cote P-7.5;
31. Lesdites allégations furent rapidement reprises par les médias canadiens, qui par l'écho des rumeurs initialement circulées par eux, généraient une histoire à saveur de scandale financier international;
32. Le 15 novembre 1995, Me Tassé, c.r., demanda à rencontrer l'avocat-conseil sénior, Me Corbett, pour lui réitérer l'urgence de prendre les mesures correctrices nécessaires;

EN GUISE DE PRÉCISIONS REQUISES AU PARAGRAPHE 32a), b) ET c) DE LA REQUÊTE POUR PRÉCISIONS, LE DEMANDEUR AJOUTE:

- 32.1 La demande fut faite verbalement, par téléphone, les mesures correctrices étant celles suggérées à la lettre de Me Tassé du 16 novembre 1995 (pièce P-8);
33. Me Corbett refusa de rencontrer Me Tassé, c.r., qui fut renvoyé au défendeur Fiegenwald, sans résultat;

EN GUISE DE PRÉCISIONS REQUISES AU PARAGRAPHE 33a), b) ET c) DE LA REQUÊTE POUR PRÉCISIONS, LE DEMANDEUR AJOUTE:

- 33.1 Ce refus fut fait par écrit par lettre du défendeur Fiogenwald datée du 17 novembre 1995 et reçue par Me Tassé à 15h08, le tout tel que précisé *supra* au paragraphe 17 par le dépôt de la pièce P-8.1;
34. Le lendemain, «le 16 novembre 1995» Me Tassé, c.r., écrivait à M. Fiogenwald, lui suggérant le texte d'une correction à apporter par le gouvernement du Canada à la demande d'aide, le tout tel qu'il eppert d'une copie dudit document daté en date du 16 novembre 1995, produite aux présentes sous la cote P-8;
35. Le 18 novembre 1995, la demande d'aide était publiée par les médias, en provenance d'une source inconnue, causant dès lors à la réputation du demandeur des dommages considérables, qui euraient pu être grandement mitigés si les défendeurs n'avaient pas fait preuve d'une absence de considération totale quant à l'impact dramatique sur la réputation du demandeur que devait avoir leur refus de faire retirer la demande d'aide et de procéder en temps utile aux rétractations nécessaires;

EN GUISE DE PRÉCISIONS REQUISES AU PARAGRAPHE 35a), c), d) ET e) DE LA REQUÊTE POUR PRÉCISIONS, LE DEMANDEUR AJOUTE:

- 35.1 L'article du *Financial Post* dont il s'agit est déjà produit *supra* au paragraphe 30 (pièce P-7.5); les rétractations nécessaires consistaient en les mesures correctrices suggérées à lettre de Me Tassé du 16 novembre 1995 (pièce P-8), à laquelle il est expressément référé, comme si au long récitée au soutien du présent alinéa; la source était inconnue du demandeur;
36. Les défendeurs Prost et Fiogenwald ont agi de concert, de propos délibérés, sachant que la demande d'aide allait fatalement être publiée par les médias, et en ne se préoccupant pas des conséquences draconiennes qu'allait certainement avoir ladite publication dans la presse internationale;
37. Le comportement ci-haut décrit des défendeurs est extraordinaire et exorbitant du sens commun, ces derniers ayant agi de manière à causer préjudice au demandeur, encourant ainsi leur responsabilité;
38. Ces allégations constituent de la part des défendeurs des atteintes illicites et intentionnelles au droit du demandeur à la sauvegarde de sa dignité, de son honneur et de sa réputation, ainsi qu'à son droit au respect de sa vie privée;

39. L'émission de la demande d'aide, dans les circonstances, constituait une violation flagrante par l'état canadien et par ses préposés, des droits fondamentaux du demandeur, tant à l'égard de la *Charte des droits et libertés de la personne du Québec* qu'en regard de la *Charte canadienne des droits et libertés* et le demandeur est en droit de requérir, dans la mesure du possible, pleine et complète réparation du préjudice subi, par la condamnation conjointe et solidaire des défendeurs pour les dommages réels subis par le demandeur ainsi que pour les dommages exemplaires réclamés;
40. Le demandeur estime à VINGT-CINQ MILLIONS de dollars (25 000 000 \$) le dommage réel subi et réclame un montant équivalent (25 000 000 \$), à titre de dommages exemplaires;

EN GUISE DE PRÉCISIONS REQUISES AU PARAGRAPHE 40a) ET b) DE LA REQUÊTE POUR PRÉCISIONS, LE DEMANDEUR AJOUTE:

- 40.1 Il s'agit d'une estimation, nécessairement subjective, du préjudice moral subi par le demandeur pour l'humiliation, la souffrance, le mépris, l'embarras et le ridicule auxquels il fut exposé suite à la diffamation, aucune portion de cette réclamation ne comprenait l'indemnisation d'un préjudice matériel, que le demandeur est présentement incapable de quantifier et pour lequel il réserve tous ses recours;
- 40.2 Quant aux dommages exemplaires, il s'agit également d'une estimation essentiellement subjective de l'ampleur de la condamnation nécessaire pour décourager l'état canadien et ses émanations d'utiliser à l'avenir les mêmes méthodes pour diffamer l'un quelconque de ses citoyens, de façon à privilégier la conservation de conditions nécessaires au maintien, au Canada, d'un état de droit démocratique;
41. Tout montant de dommages exemplaires alloué au demandeur par jugement à intervenir sera versé à des fondations ou des institutions éducatives ou de recherche médicale, situées à Montréal;
42. C'est au Québec que le demandeur a subi le préjudice allégué, c'est au Québec que plusieurs des faits dommageables se sont produits et le Procureur général du Canada est une personne morale ayant plusieurs établissements dans la province de Québec, la contestation étant relative à son activité dans la province;

EN GUISE DES PRÉCISIONS REQUISES AU PARAGRAPHE 42a), b) ET c) DE LA REQUÊTE POUR PRÉCISIONS, LE DEMANDEUR AJOUTE:

- 42.1 La circulation et la diffusion du libelle, tant au Québec qu'à l'étranger, par les médias écrits et électroniques et l'assujettissement consécutif du demandeur à l'humiliation, aux souffrances, au mépris, à l'embarras et au ridicule causés par ces diffusions, de par leurs diverses réverbérations au Québec, constituent les faits dommageables y ayant eu lieu, ces faits dommageables étant attribuables aux fautes commises par chacun des défendeurs;
- 42.2 L'activité du Procureur général du Canada est relative à ses activités de gouvernement, généralement, et d'enquête par la Gendarmerie royale du Canada sur le demandeur, particulièrement, et des fautes lourdes de leurs agents et préposés dans l'exécution de ces fonctions;
43. L'action est bien fondée en faits et en droit;

POUR CES MOTIFS, PLAISE À CETTE HONORABLE COUR:

ACCUEILLIR la présente action;

CONDAMNER les défendeurs Le Procureur général du Canada, M. J. P. R. Murray, Madame Kimberly Prost, M. Fraser Fiegenwald, conjointement et solidairement, à payer au demandeur la somme de CINQUANTE MILLIONS de dollars (50 000 000 \$), avec intérêts et l'indemnité additionnelle prévue à l'article 1619 du *Code civil du Québec*;

ORDONNER toute mesure jugée convenable et juste en regard des circonstances pour permettre au demandeur d'obtenir la réparation la plus complète possible, y compris la publication d'un document de rétractation et d'excuses ainsi que du jugement à intervenir en l'instance, dans cinquante (50) des plus grands quotidiens mondiaux;

ORDONNER que tout montant de condamnation à des dommages exemplaires en faveur du demandeur soit versé à des fondations ou des institutions éducatives ou de recherche médicale, situées à Montréal;

- 22 -

Le tout avec les entiers dépens.

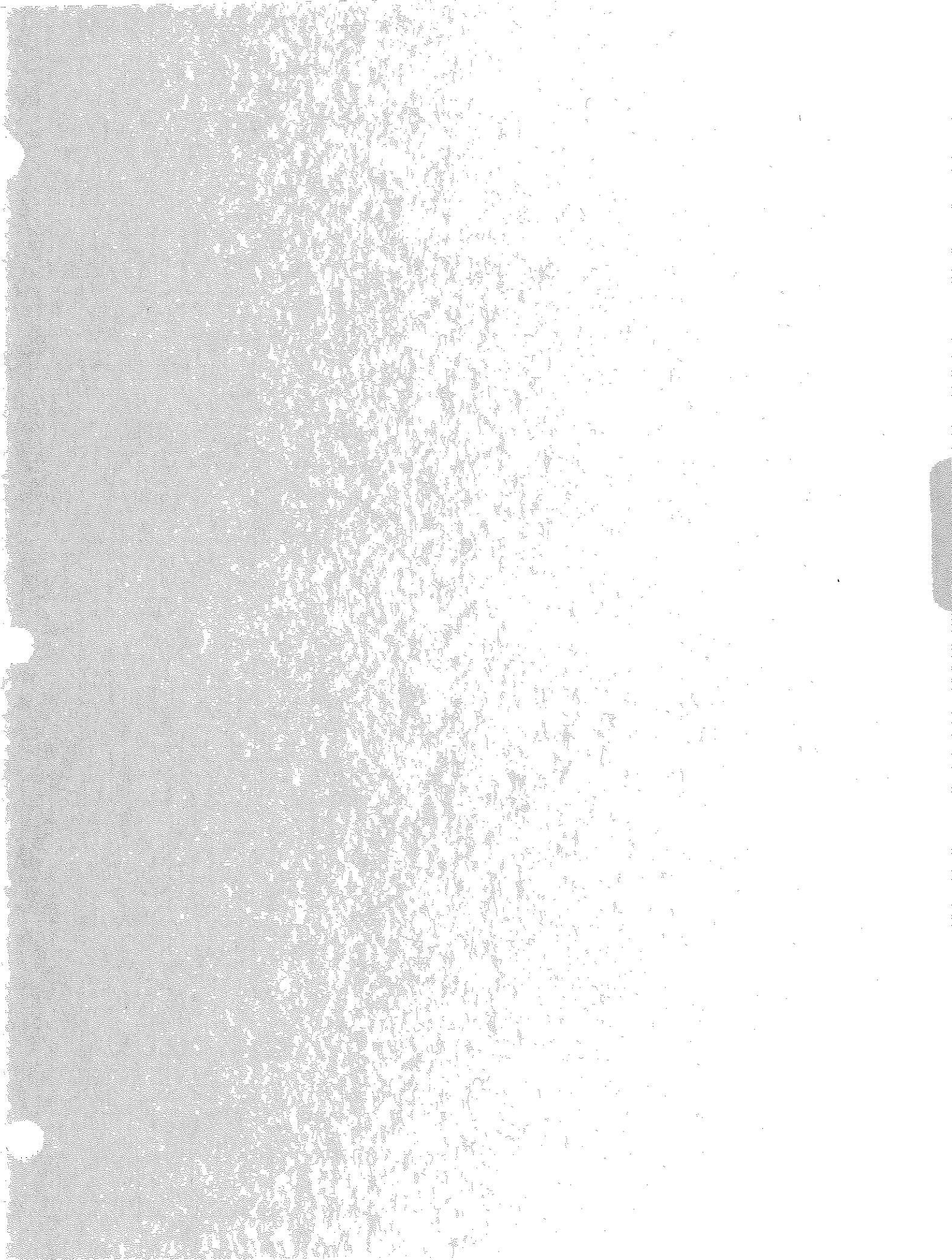
MONTREAL, ce 29e jour de janvier 1996

(S) McCARTHY TETRAULT

PROCUREURS DU DEMANDEUR

COPIE CONFORME

PROCUREURS DU DEMANDEUR



**IN THE MATTER
OF AN ARBITRATION**

MONTREAL, QUEBEC, CANADA
October 6, 1997

ARBITRATOR:
The Honourable Alan B. Gold,
O.C., O.Q., Q.C., LL.D.

IN THE MATTER OF:

THE RIGHT HONOURABLE
BRIAN MULRONEY, P.C.
Claimant

vs

THE ROYAL CANADIAN MOUNTED POLICE
(RCMP)
Respondent

APPEARED:

On behalf of The Right Honourable
Brian Mulroney, P.C.:

- Me Gérald R. Tremblay, Q.C.
and
Me Jacques Jeansonne
McCarthy Tétrault
Barristers & Solicitors

On behalf of the Royal Canadian
Mounted Police (RCMP):

- Me Harvey T. Strasberg, Q.C.
Gignac, Sults
Barristers & Solicitors

AWARD

1. INTRODUCTION

I am indebted to counsel for a careful, meticulous and painstaking analysis of the evidence and for a thorough, well-reasoned and balanced presentation of the law.

2. THE CLAIM

Claimant claims the sum of two million forty-five thousand two hundred and fifty-two dollars (\$2,045,252.00), plus interest, under the provisions of article 11 of the *Settlement Agreement* (the "*Settlement*"), dated January 5th, 1997, which sets out the terms and conditions of the out-of-court settlement of Claimant's action against The Attorney General of Canada and others.

3. CLAIMANT'S ACTION

The facts that gave rise to Claimant's action and the allegations set out in his Declaration are well-known and need not be repeated here. It is sufficient to state that the conclusions of his action read as follows:

«ACCUEILLIR la présente action;

CONDAMNER les défendeurs Le Procureur général du Canada, M. J.P.R. Murray, Madame Kimberly Prost, M. Fraser Flegenwald, conjointement et solidairement, à payer au demandeur la somme de CINQUANTE MILLIONS de dollars (50 000 000 \$), avec intérêts et l'indemnité additionnelle prévue à l'article 1619 du *Code civil du Québec*;

ORDONNER toute mesure jugée convenable et juste en regard des circonstances pour permettre au demandeur d'obtenir la réparation la plus complète possible, y compris la publication d'un document de rétractation et d'excuses ainsi que du jugement à intervenir en l'instance, dans cinquante (50) des plus grands quotidiens mondiaux;

ORDONNER que tout montant de condamnation à des dommages exemplaires en faveur du demandeur soit versé à des fondations ou des institutions éducatives ou de recherche médicale, situées à Montréal;

Le tout avec les entiers dépens.»

4. THE SETTLEMENT

The *Settlement* reads as follows:

"1. The parties wish to announce that the Right Honourable Brian Mulroney, the Government of Canada and the RCMP agree to settle out of court the litigation presently pending among them.

"2. The basis for the litigation was the Request for Assistance, initiated and drafted by the RCMP and signed and sent by the Department of Justice to the Swiss authorities in the Airbus investigation by the RCMP.

"3. Some of the language contained in the Request for Assistance indicates, wrongly, that the RCMP had reached conclusions that Mr. Mulroney had engaged in criminal activity.

"4. Based on the evidence received to date, the RCMP acknowledges that any conclusions of wrongdoing by the former Prime Minister were - and are - unjustified.

"5. The Government of Canada and the RCMP regret any damage suffered by Mr. Mulroney and his family and fully apologize to them.

"6. The parties have always acknowledged that the RCMP must continue investigating any allegations of illegality or wrongdoing brought to its attention.

"7. The Government of Canada and the RCMP emphasize that the Request for Assistance was a highly confidential state-to-state communication intended to be received by Swiss authorities who knew that it contained only allegations which were to be verified and that the persons named were presumed innocent of any wrongdoing.

"8. The parties acknowledge that the procedure used in sending the Request for Assistance to Switzerland in this case was the same as that followed in numerous previous requests for mutual assistance under both the current and previous administrations where such requests have always remained confidential. Because of this the Government of Canada did not foresee that the Request for Assistance would become public. Since it did, the Government of Canada has reviewed its procedure to ensure that the risk of this happening again is minimized.

"9. The parties accept that the RCMP, on its own, initiated the Airbus investigation; that the Minister of Justice was not involved in the decision to initiate the investigation; and that before November 4, 1995, the Minister of Justice was not aware of the Request for Assistance and the RCMP investigation.

"10. The parties accept that the RCMP and the Department of Justice in sending the Request for Assistance to Switzerland acted within their legitimate responsibilities in this matter.

"11. The RCMP will pay to Mr. Mulroney all legal fees and disbursements and all fees and disbursements paid to experts whose reports were intended to be tendered to the Court, and which were reasonably incurred in the prosecution of this action. The final amount is to be determined by final binding arbitration, to the exclusion of any court, by former Chief Justice Alan B. Gold, or, if unavailable to act, by such other arbitrator chosen by the parties or in conformity with the Code of Civil Procedure of the Province of Quebec.

"12. Mr. Mulroney waives his claim to damages because any award would be payable out of public funds.

"13. Contemporaneous with the signing of this Settlement Agreement Mr. Mulroney will sign a release [...] and the Declaration of Settlement Out of Court [...]."

5. THE LAW

The law may be stated in the form of three propositions:

1. The *Settlement* was signed in Montréal on January 5th, 1997 and is therefore governed by the laws of the Province of Québec.
2. The *Settlement* is a transaction within the meaning of articles 2631 and ff. of the *Civil Code of Québec*.

Article 2631 reads as follows:

"Art. 2631. Transaction is a contract by which the parties prevent a future contestation, put an end to a lawsuit or settle difficulties arising in the execution of a judgment, by way of mutual concessions or reservations. (emphasis added)

A transaction is indivisible as to its object."

3. Articles 1425 and ff. of the *Civil Code of Québec* deal with the interpretation of contracts. The following articles are of particular relevance:

"Art. 1425. The common intention of the parties rather than adherence to the literal meaning of the words shall be sought in interpreting a contract.

"Art. 1426. In interpreting a contract, the nature of the contract, the circumstances in which it was formed, the interpretation which has always been given to it by the parties or which it may have received, and usage, are all taken into account.

"Art. 1427. Each clause of a contract is interpreted in light of the others so that each is given the meaning derived from the contract as a whole.

"Art. 1428. A clause is given a meaning that gives it some effect rather than one that gives it no effect.

"Art. 1429. Words susceptible of two meanings shall be given the meaning that best conforms to the subject matter of the contract."

6. THE ISSUES, ARGUMENT AND REASONS FOR DECISION

I begin with the firm conviction that the intent and purpose of the *Settlement* was to right the grievous wrong that Claimant had suffered through no fault of his own. Simple justice and fair dealing required no less.

It follows, therefore, that any doubt as to the meaning of article 11 - if doubt there be - must be resolved in Claimant's favour by giving to it a liberal rather than a restrictive interpretation.

That being said, the Claim may be conveniently dealt with under four heads:

First: Legal fees and disbursements in the total sum of one million four hundred three thousand six hundred and ninety-one dollars (\$1,403,691.00).

I have examined each and every one of the statements of account for legal fees and disbursements (together with supporting documents) submitted to Claimant by the several law firms who made up his legal team in this matter, and I am satisfied that the sums claimed under this head are properly claimed and due.

True, with the benefit of hindsight one might say that Mr. Mulroney and the members of his legal team might have done things differently - though not necessarily better - but I cannot say that what was done, and the way it was done, was unreasonable in the extraordinary circumstances of what was and is a most extraordinary case.

This claim falls four square within the meaning of article 11 and is therefore maintained.

Second: Translation fees and disbursements in the total sum of fifteen thousand and ninety-six dollars (\$15,096.00).

I conclude, as was conceded by Respondent, that the sums disbursed under this head are properly claimed and due.

Third: Accounting services by KPMG in the amount of thirty-eight thousand seven hundred and forty-four dollars (\$38,744.00).

This claim is for professional services rendered to Claimant in the management of his finances during the course of the litigation.

I have given the matter my most careful consideration and am of the opinion that the claim under this head is unfounded and must be denied. Article 11, even if interpreted liberally, is not wide enough to encompass the costs in question. The duty to interpret a contract liberally does not, as a general rule, confer upon the arbitrator the right or authority to do violence to or distort the ordinary meaning of the words used in the instrument. If there are rare cases where it may be done, this is not one of them.

The claim under this head is therefore denied.

Fourth: Services rendered by National Public Relations N.P.R. Inc. ("National") totalling the sum of five hundred eighty-seven thousand seven hundred and twenty-one dollars (\$587,721.00).

It is unnecessary to set out in detail the work that was done by National. It is sufficient to state that the reports they prepared and that were submitted to lead counsel on a day-to-day basis are voluminous, indeed, massive, and deal with every aspect of the case and how it was being dealt with, and reported on, by the media, local, national and international.

The uncontradicted evidence is that National's services were necessary for the proper prosecution of Claimant's case, as it evolved from day to day, and as further information appeared and became available through its own sources. In particular, the gathering, collating and analysis of statements made to the media, or elsewhere, by persons directly, indirectly or potentially involved in the proceedings as witnesses (adverse or favourable) was of great importance in the conduct of Claimant's case, as part of the overall strategy and day-to-day tactics pursued by counsel.

I note, in particular, that Claimant's "RÉPONSE" (his answer to the Statement of Defense filed by the Defendants), was a crucial pleading and the result, in large measure, of information obtained and services rendered by National.

On the whole, therefore, I am satisfied, taking into account the nature of the *Settlement* and the circumstances in which it was formed, that the fees and disbursements paid to National were reasonably incurred in the prosecution of the action, the intention being that the reports made by National to counsel would be tendered to the court as part of Claimant's case, and to be used, *inter alia*, in order to determine the extent of his injury and damages.

I have no doubt that if Claimant had not received the services rendered by National, or by someone else equally well placed to render them, he would have been at a great disadvantage in the prosecution of his suit, and unable to meet Defendants' case on many of the issues which went to the heart of the litigation, including damages.

True, the work done by National might have been done by some members of Mr. Mulroney's legal team, including paralegals, researchers, students, stagiaires and employees, but it is unreasonable to expect that they would have been able to do it; assuming that they were available, and it is even more unreasonable to expect that they would have been able to do it as well as the experienced professionals who form part of the National team¹.

¹ And, need I add, that if the work had been done by Mr. Mulroney's legal team the costs would be recoverable under the first head of the claim.

Claimant is therefore entitled to recover the full amount of his claim under this head, and it is therefore maintained.

To recapitulate, therefore, I am of the opinion that Claimant is entitled to claim and recover from Respondent the sum of two million six thousand five hundred and eight dollars (\$2,006,508.00), made up as follows:

Under Head 1:	\$1,403,691.00
Under Head 2:	\$ 15,096.00
Under Head 3:	\$ NIL
Under Head 4:	\$ <u>587,721.00</u>
TOTAL:	\$2,006,508.00

7. DECISION AND AWARD

For the foregoing reasons:

1. I find and declare that Claimant is entitled to recover from Respondent the sum of two million six thousand five hundred and eight dollars (\$2,006,508.00) in this matter.

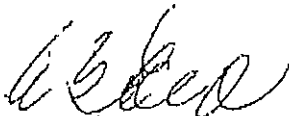
I am informed by counsel that during the course of the present proceedings, Respondent has paid to Claimant, on account, the sum of one million two hundred thousand dollars (\$1,200,000.00) as follows:

May 25, 1997	\$ 450,000.00
June 27, 1997	\$ 450,000.00
July 11, 1997	\$ <u>300,000.00</u>
TOTAL:	\$1,200,000.00

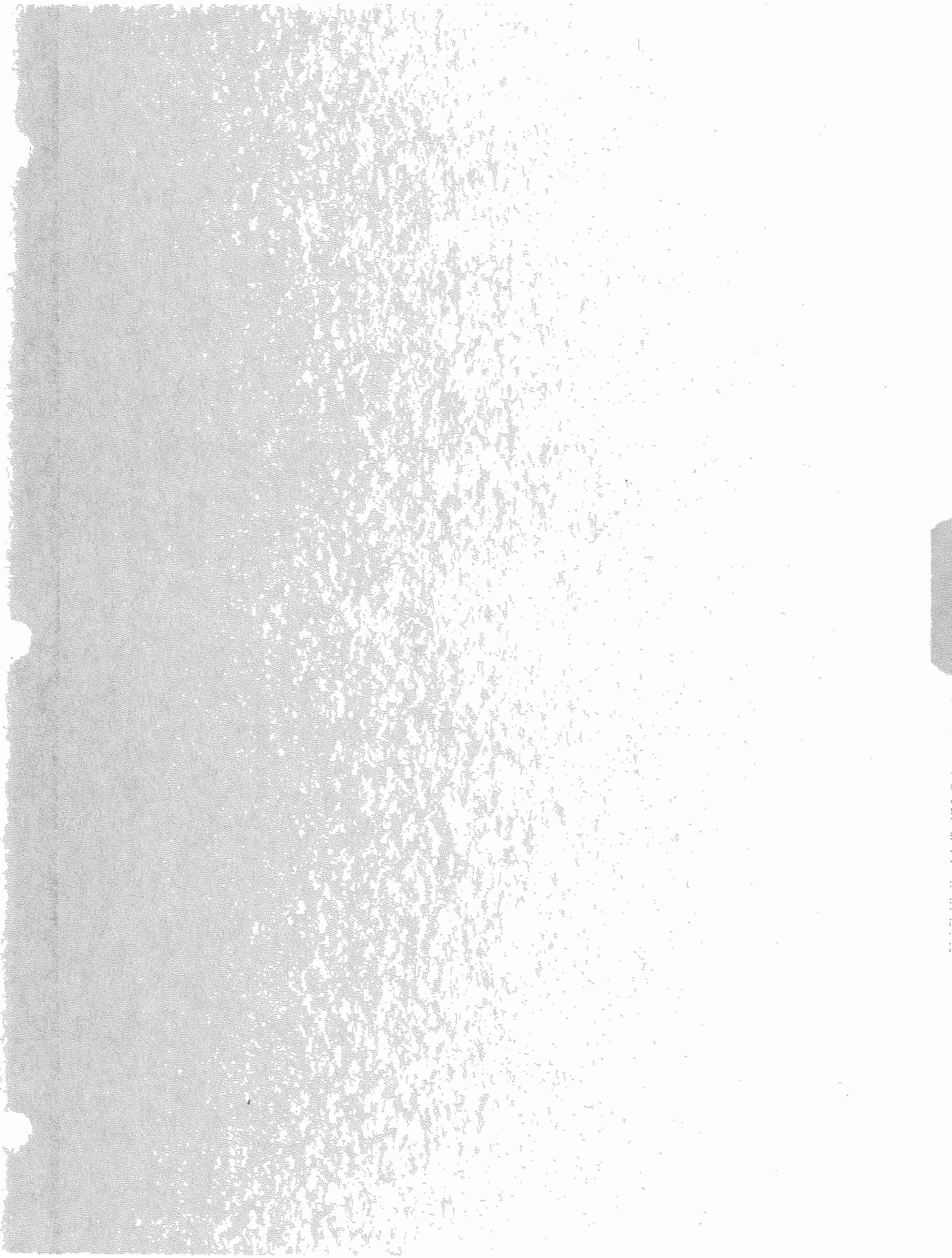
In the result, there is now due and owing to Claimant, as the outstanding balance, the sum of eight hundred six thousand five hundred and eight dollars (\$806,508.00).

2. I order and direct Respondent to pay to Claimant the said sum of eight hundred six thousand five hundred and eight dollars (\$806,508.00).
3. I order and direct Respondent to pay to Claimant interest, at the legal rate, as of and from January 5th, 1997, on Claimant's Claim, taking into account the payments on capital already made as hereinabove set out.

There will be no order as to costs.



The Honourable Alan B. Gold, O.C., O.Q., Q.C., LL.D.
Arbitrator



Request ID: 009705904
 Transaction ID: 33805935
 Category ID: UN/E

Province of Ontario
 Ministry of Consumer and Business Services
 Companies and Personal Property Security Branch

Date Report Produced: 2007/11/06
 Time Report Produced: 09:25:40
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1248156	SPAGHETTISSIMO NORTH AMERICA INC.	1997/07/24
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	CANC. BY C.T.	NOT AVAILABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
640 BROADWAY AVENUE	NOT APPLICABLE	NOT APPLICABLE
EAST YORK ONTARIO CANADA M4G 2S7	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
640 BROADWAY AVENUE		NOT APPLICABLE
EAST YORK ONTARIO CANADA M4G 2S7	Revival Date	Continuation Date
	NOT APPLICABLE	NOT AVAILABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	2006/03/13
	EP Licence Eff. Date	EP Licence Term. Date
	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors	Date Commenced
WHOLESALE TRADE INDUSTRIES	Minimum Maximum	In Ontario
	00001 00010	NOT APPLICABLE
		Date Ceased
		In Ontario
		NOT APPLICABLE

This is Exhibit 10 referred to in the
 affidavit of K. Schreiner
 sworn before me, this 7
 day of Nov. 2007
Paul Guba
 A COMMISSIONER FOR TAKING AFFIDAVITS

Request ID: 009705904
 Transaction ID: 33805935
 Category ID: UN/E

Province of Ontario
 Ministry of Consumer and Business Services
 Companies and Personal Property Security Branch

Date Report Produced: 2007/11/06
 Time Report Produced: 09:25:40
 Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

1248156

Corporation Name

SPAGHETTSSIMO NORTH AMERICA INC.

Corporate Name History

SPAGHETTSSIMO NORTH AMERICA INC.

Effective Date

1997/07/24

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:
 Name (Individual / Corporation)

GREGORY
 GEORGE
 ALFORD

Address

640 BROADWAY AVENUE

EAST YORK
 ONTARIO
 CANADA M4G 2S7

Date Began

1997/07/24

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 009705904
 Transaction ID: 33805935
 Category ID: UN/E

Province of Ontario
 Ministry of Consumer and Business Services
 Companies and Personal Property Security Branch

Date Report Produced: 2007/11/06
 Time Report Produced: 09:25:40
 Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

1248156

Corporation Name

SPAGHETTISSIMO NORTH AMERICA INC.

Administrator:
 Name (Individual / Corporation)

GREGORY
 GEORGE
 ALFORD

Address

640 BROADWAY AVENUE

EAST YORK
 ONTARIO
 CANADA M4G 2S7

Date Began

1997/07/24

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:
 Name (Individual / Corporation)

GREGORY
 GEORGE
 ALFORD

Address

640 BROADWAY AVENUE

EAST YORK
 ONTARIO
 CANADA M4G 2S7

Date Began

1997/07/24

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 009705904
Transaction ID: 33805935
Category ID: UNE

Province of Ontario
Ministry of Consumer and Business Services
Companies and Personal Property Security Branch

Date Report Produced: 2007/11/06
Time Report Produced: 09:25:40
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

1248156

Corporation Name

SPAGHETTISSIMO NORTH AMERICA INC.

Administrator:
Name (Individual / Corporation)

DAVID
E.
MARTIN

Address

1514-655 BROADVIEW AVENUE

TORONTO
ONTARIO
CANADA M4K 2P3

Date Began

1997/07/24

First Director

YES

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 008705904
Transaction ID: 33805935
Category ID: UNE

Province of Ontario
Ministry of Consumer and Business Services
Companies and Personal Property Security Branch

Date Report Produced: 2007/11/06
Time Report Produced: 09:25:40
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

1248156

Corporation Name

SPAGHETTISSIMO NORTH AMERICA INC.

Last Document Recorded

Act/Code	Description	Form	Date
BCAC	CANCELLED REQUEST CT	241-4	2006/03/25

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON THE COMPANIES AND PERSONAL PROPERTY SECURITY BRANCH MICROFICHE.

The issuance of this report in electronic form is authorized by the Director of Companies and Personal Property Security Branch

ONCORP | **OnCorp ECI Details**

Corporate Number	001248156
Current Name	SPAGHETTISSIMO NORTH AMERICA INC.
Status	B - Corporation has been cancelled at the request of the Corporations Tax Branch, Ministry of Finance
Type	A - Ontario Business Corporation
Share Capital	S - Share Capital
Jurisdiction	ONTARIO
Incorporation Date	1997-07-24
Letter / Cancellation / Amalgamated / Inactive Date	2006-03-13

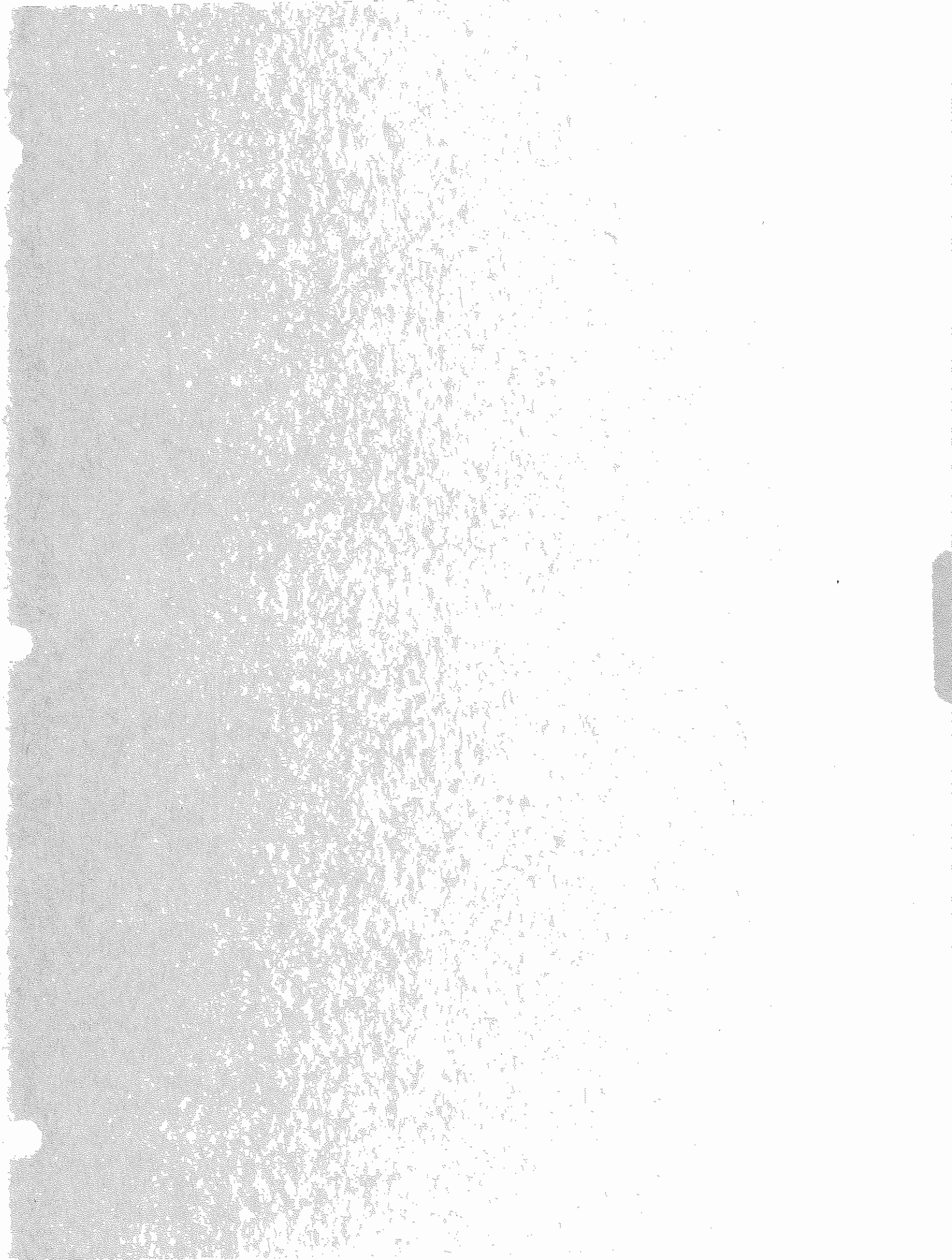
Order Report(s)

Back to Search Results

Search Another Corp

Disclaimer

Neither MGS nor OnCorp undertakes any warranty, expressed or implied, regarding the accuracy of the information contained in the ECI Details above. The Corporation Details provided above do NOT substitute any report generated by MGS, using the ONBIS system.



McCarthy Tétrault

AVOCATS-AGENTS DE BREVETS & MARQUES DE COMMERCE
BARRISTERS & SOLICITORS-PATENT & TRADEMARK AGENTS

"LE WINDSOR", 1170 PEEL, MONTRÉAL
QUÉBEC, CANADA H3B 4S8
FAX (514) 875-6246-TELEPHONE (514) 397-4100

Direct line: (514) 397-4157
Internet: gtr@mhlay@mccarthy.ca

Montreal, September 29, 1999

BY FAX (613-993-0309)
Original By Courier

J. Phillip Murray
Commissioner
ROYAL CANADIAN MOUNTED POLICE
1200 Vanier Parkway
Ottawa (Ontario)
K1A 0R2

Re: The Right Honourable Brian Mulroney
Our file: 151292-187816

Dear Commissioner:

We represent the Right Honourable Brian Mulroney, Prime Minister of Canada from 1984 to 1993.

Four years ago today the Government of Canada and the RCMP sent a Request for Assistance to the Government of Switzerland in which our client was described as a criminal, actively engaged in corrupt activities during his entire time in office.

Pursuant to a libel action initiated by our client against the Government and the RCMP, the defendants apologized fully to Mr. Mulroney and his family, acknowledged that any conclusions of wrongdoing were and are "unjustified" and paid all of his legal costs.

(This was essentially confirmatory of the initial RCMP Airbus investigation in 1988-1989).

McCarthy Tétrault

J. Phillip Murray

page 2

Our client realized your investigation would continue - although not on the basis of a letter acknowledged to be groundless ("sans fondements") by its authors. In any event, Mr. Mulroney continues to be smeared by a constant repetition of the original government allegations in media stories related to the ongoing investigation.

On August 23, 1999, Mr. Andreas Huber-Schlatter, Secretary General of the Federal Department of Justice and Police, Switzerland, wrote the undersigned that "... none of the bank records so far produced or yet to be produced involve accounts of Mr. Mulroney's."

In the four years, our client has repeatedly denied involvement in any illegal or improper activity of any kind in any matter covered by your inquiry. He has offered to meet with your investigators at any time and provide them with any information they require. All relevant witnesses interrogated by lawyers from this firm in preparation for the trial confirmed and were prepared to testify to the ethical and appropriate conduct of our client throughout.

It is also our understanding that for some considerable period of time all Swiss banking records of Messrs. Frank Moores and Karlheinz Schreiber have been (officially or otherwise) in your possession and do not in any way (contrary to the original Government contention) implicate our client in any illegal activity. This confirms public statements by these two gentlemen to the effect that they never had any such association with our client.

Indeed, in the original letter of request sent to the Swiss, our client was specifically accused of acting illegally in three instances:

1. The Air Canada Purchase of Airbus

In fact, our client had no involvement of any kind in this matter.

2. The Coast Guard Purchase of Helicopters

In fact, our client had no involvement of any kind in this matter.

3. The Bearhead Contract

In fact, our client cancelled this contract between the Government and the promoters.

The uncertainty surrounding this matter and the ambiguous statements from RCMP spokesmen that our client may (or may not) be a subject/target of this ongoing investigation continue to damage Mr. Mulroney and his family both in Canada and around the world.

McCarthy Tétrault

J. Phillip Murray

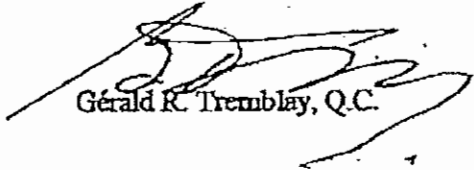
page 3

It is an acknowledged truth that "justice delayed is justice denied." For more than four years our client has endured the anguish and humiliation of having his integrity questioned publicly. For any Canadian this would be an excruciatingly painful experience. One can only imagine how much more brutal and searing the experience must be for Mr. Mulroney who, as a long-serving Prime Minister of Canada, is especially prominent at home and internationally.

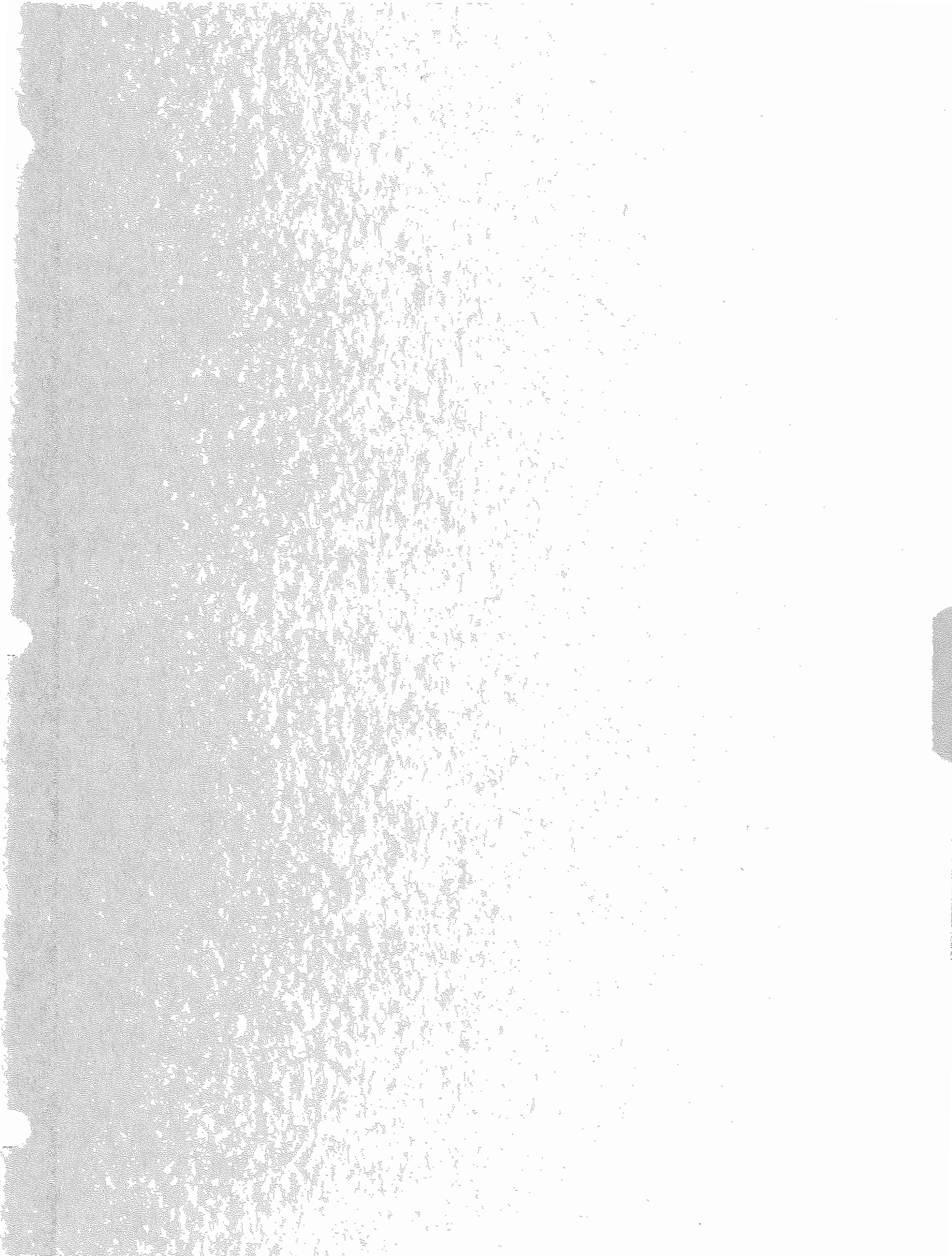
Some time ago you told the Globe and Mail editorial board that you would announce as soon as possible the results of the investigation as it applied to Mr. Mulroney. We would ask you to exercise your leadership of the RCMP to bring this nightmare for our client and his family to an end by announcing now what surely must be clear to your investigators after more than four years work: namely, that Mr. Mulroney did nothing improper or illegal in respect of any matter under consideration and that simple justice requires this matter, as it applies to him, be considered at an end.

Sincerely,

McCarthy Tétrault


Gérald R. Tremblay, Q.C.

GRT/sk





1 of 7 DOCUMENTS

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The Globe and Mail (Canada)

November 21, 2003 Friday

SECTION: NEWS; Pg. A2

LENGTH: 137 words

HEADLINE: Corrections

BODY:

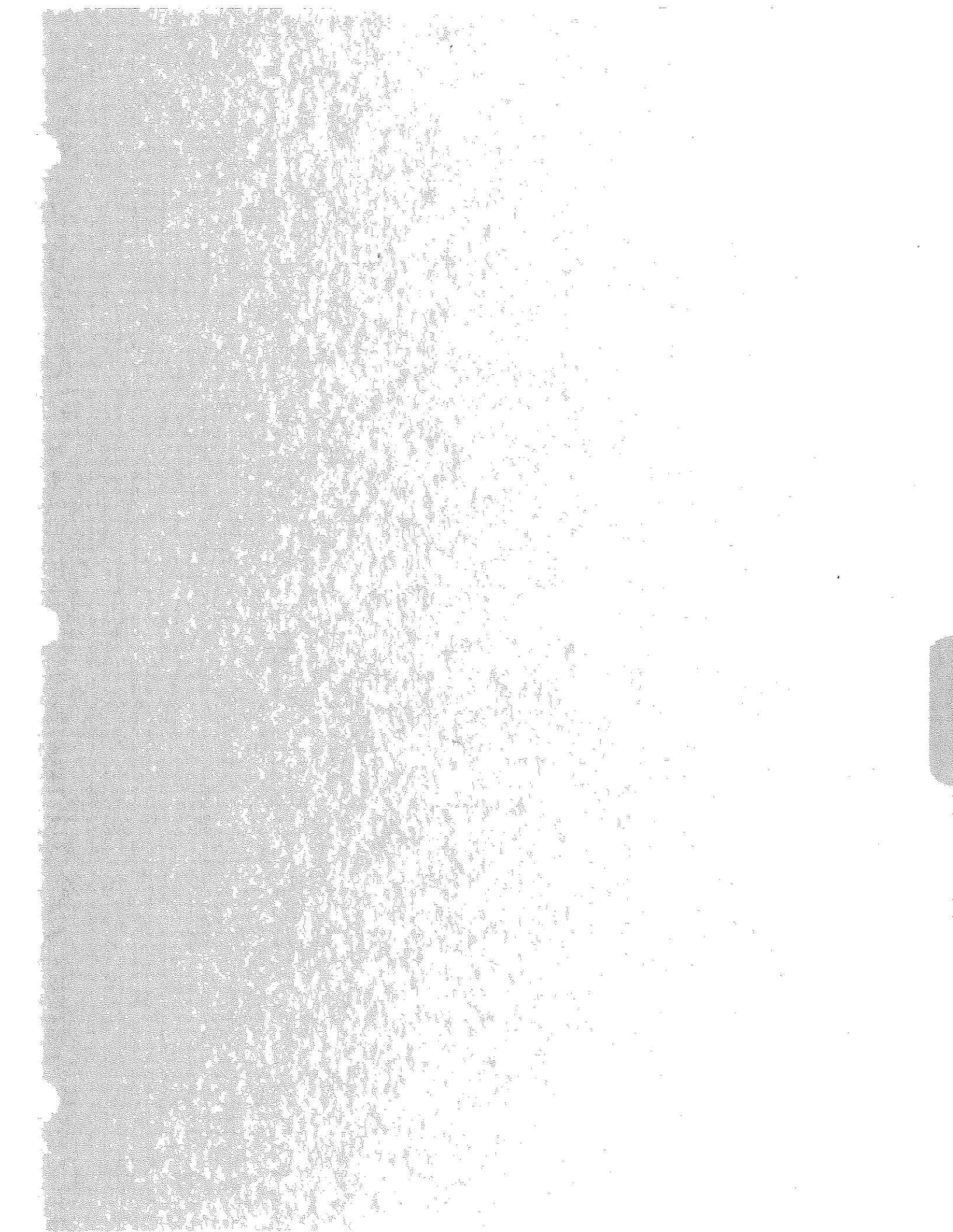
In a column in yesterday's Comment pages, former prime minister Brian Mulroney was quoted as saying in 1996 that, "I had never any dealings with him." It was a reference to businessman Karlheinz Schreiber from whom Mr. Mulroney received a payment for consultant's work after stepping down as prime minister.

The quote should have read, "I had never had any dealings with him." The oversight in leaving out the second "had" in the sentence changed the context and made it appear that Mr. Mulroney was making a misleading statement.

The full testimony from which the quote was taken made it clear that Mr. Mulroney wasn't trying to deny that after leaving office he had dealings with Mr. Schreiber. The Globe and Mail regrets the error.

A story in yesterday's Globe misspelled The Munk Centre for International Studies.

LOAD-DATE: September 16, 2006



CBC  Radio-Canada

Harvey Cashore
Producer, CBC - the fifth estate
P.O. Box 500, Station A
Toronto, ON
M5W 1E6

Phone: 416-205-6575
Fax: 416-205-6668
e-mail: cashoreh@toronto.cbc.ca

October 8, 1999

CONFIDENTIAL

SENT BY FACSIMILE - 514-286-1238

Rt. Hon. Brian Mulroney
Ogilvy Renault
Suite 1100, 1981 McGill College Avenue
Montréal, Québec
H3A 3C1

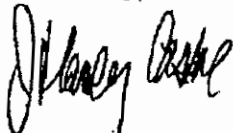
Dear Mr. Mulroney:

The Canadian Broadcasting Corporation's programme *the fifth estate* is gathering research for a story concerning Karlheinz Schreiber and some of his business activities in Canada and abroad.

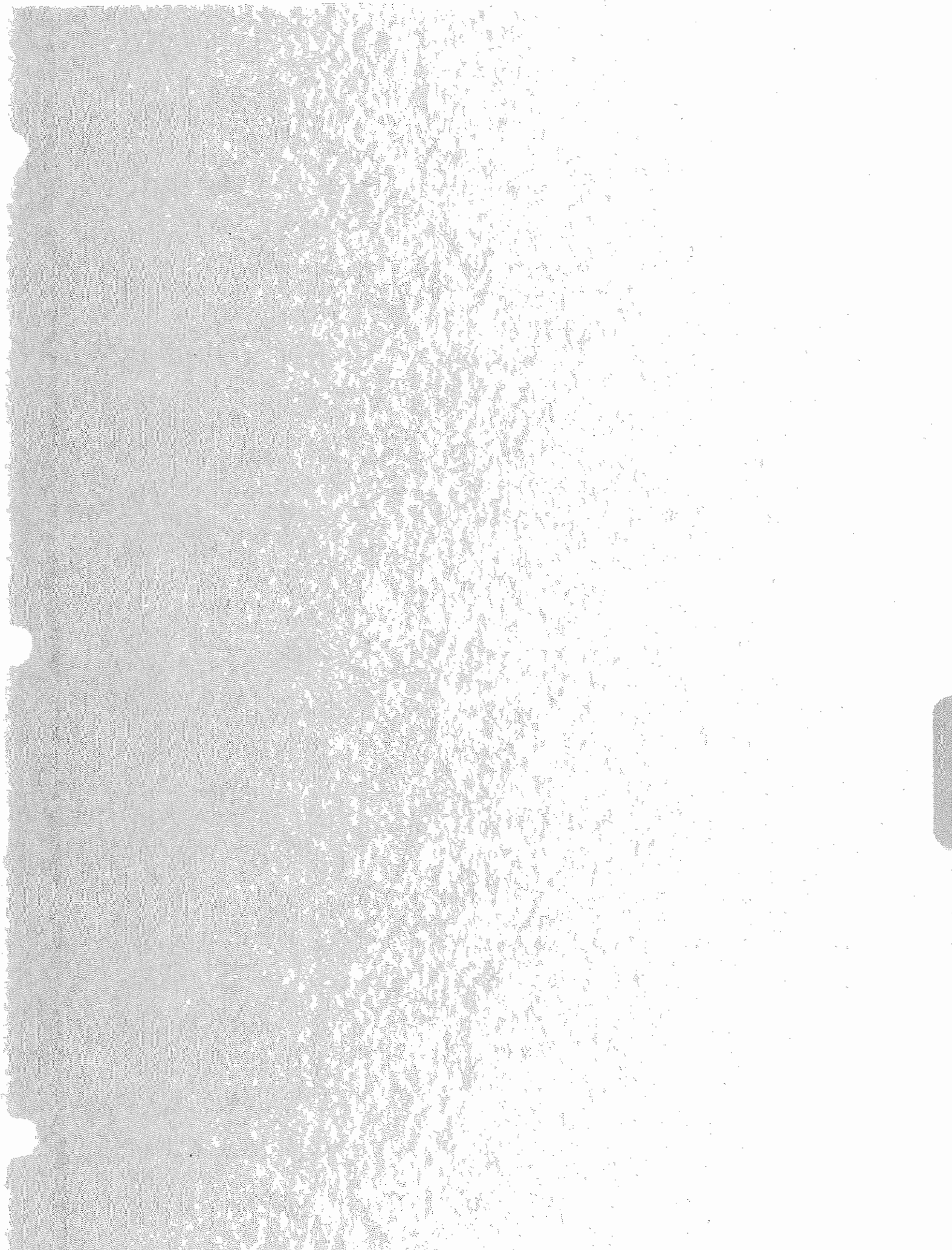
In the course of the research we have come across some new information which we would like to discuss with you in an interview. It is our sincere objective to understand the facts as best we can, and it is for this reason we are hoping to speak with you.

This is not to suggest that we have come to conclusions about this information, rather the opposite. We believe that the more perspective we can get on our information the more complete our story will be.

Sincerely,



Harvey Cashore



R. v. MEB Helicopter Canad
K. Schreiber - In-c

(Continued...)

1 THE COURT : Yeah. I see I'm in another court
2 on Friday, so we sit the morning of the 15 th ,
3 and everybody is...

4 MR. BERNSTEIN: Yes.

5 MR. SCHABAS: It's Monday, Tuesday, Wednesday
6 morning.

7 THE COURT: ...here Monday, Tuesday and half
8 of Wednesday?

9 MR. SCHABAS: Right.

10 THE COURT : Okay. Thank you.

11 MR. SCHABAS: And actually, I wouldn't mind if
12 perhaps at the end of the day we could just
13 canvass the schedule. I think there's some
14 confusion amongst...

15 THE COURT : Sure.

16 MR. SCHABAS: ...the counsel and the officers
17 and so on about the schedule for the rest of
18 the month.

19 THE COURT : That's fine.

20
21 SCHREIBER, KARLHEINZ ; PREVIOUSLY SWORN

22
23 EXAMINATION IN-CHIEF BY MR. BERNSTEIN:

24 Q. Mr. Schreiber, what did Mr. Wolf tell you
25 about Mr. Moores?

26 MR. SCHABAS: No, what did he...

27 THE WITNESS : Mr. Moores?

28 MR. SCHABAS: Sorry. I thought the question
29 was going to be framed differently, Your
30 Honour.
31

THE COURT: No. I think that's all right, again, with the usual qualifications and limitations. Go ahead.

THE WITNESS: Mr. Moores used to be the Premier of Newfoundland, that he -- I think he was the president of the Conservative Party, and that he has interesting business somewhere in Newfoundland or whatever.

MR. BERNSTEIN: Q. What did Mr. Wolf do for

a living?

A. As far as I know, he had a huge company for oil -- offshore oil rig maintenance, and he was pretty popular in Canada. I guess, he has car racing company or whatever in ... I didn't know him that well. I just met him two or three times.

Q. This meeting, was it a dinner? a lunch? What were the circumstances surrounding the introduction?

A. I don't recall. It might have been a lunch.

Q. Tell us what you recall of the meeting. What was discussed?

A. Well, it was, as far as I recall, politics.

Q. Was there any political event on the horizon or had just happened?

A. At that time, I don't know. I think Walter Wolf was somehow involved with campaigning in favour of Mr. Mulroney, also.

Q. So was this meeting a political meeting or a business meeting? Or both?

A. Well, it was a first introductory

1 Mr. Moores was a conservative and Mr. Strauss is a
2 conservative, and I was a conservative, and so I got to
3 know him, and we exchanged thoughts.

4 Q. On what?

5 A. On politics. And also on a project he had
6 in Newfoundland.

7 Q. Do you recall the name of that project?

8 A. Yes. Port Atlantis.

9 Q. What was -- excuse me. I'll ask a better
10 question. Were you involved in Project Atlantis?

11 A. Yes. Later on.

12 Q. So...

13 A. How could I when I saw him the first time
14 and he spoke about the project.

15 Q. So, he spoke about the project?

16 A. Yes.

17 Q. What did he tell you about the project?

18 A. That he has a project in Newfoundland,
19 together with Lavelin.

20 Q. With who?

21 A. With Lavelin.

22 Q. That's Lavelin?

23 A. Yes.

24 Q. Did he try to interest you in the project?

25 A. Please?

26 Q. Did he try to interest you in the project?

27 A. Yes.

28 Q. In what way?

29 A. Oh, whether we might be interested to

30 invest.

31 Q. Who is we?



R. v. MBB Helicopter Canada et al.
K. Schreiber - In-ch.
(Continued...)

1 And in that sense, Mr. Bernstein, I don't
2 think we need to go at great, great lengths
3 to...

4 MR. BERNSTEIN: I understand.

5 THE COURT: ...dot every "I" and cross every
6 "T" and obtain every little bit of evidence
7 relating to this particular avenue of
8 questioning, insufficiente.

9 MR. BERNSTEIN: Yes.

10 THE COURT: It's broadly outlined.

11 MR. BERNSTEIN: Yes.

12
13 SCHREIBER, KARLHEINZ: PREVIOUSLY SWORN

14 EXAMINATION IN-CHIEF BY MR. BERNSTEIN:

15 Q. Do you know Mr. Mulroney?

16 A. Yes.

17 Q. When did you meet him?

18 A. It's hard to say. Somewhere late '70s.

19 Q. How would you describe your -- did you
20 have some sort of relationship with him?

21 A. Well, I saw him the first time.

22 Q. Did you see him, periodically, over the
23 years?

24 A. Not that much until the late '80s I would
25 say.

26 Q. Between the late '70s and the late '80s,
27 would your contact with him be social?

28 A. Yes.

29 Q. A ny other kind of contact?
30

- 1 A. No. He used to be the President of Iron
2 Ore, as you may know.
- 3 Q. What does him being the President of Iron
4 Ore have to do with the nature of your contact with him?
- 5 A. This was the profession when I met him and
6 this is what I learned he was doing. And also, that he
7 had a law firm, too. And that he is a potential candidate
8 for Canada for the Conservative Party.
- 9 Q. When he became the head of the
10 Conservative Party and the Prime Minister, did you have any
11 continuing contact with him?
- 12 A. Please? Again?
- 13 Q. When he became the head of the
14 Conservative Party and the Prime Minister, did you have any
15 contact with him?
- 16 A. Maybe I've seen him once. The Prime
17 Minister? I think he was first in opposition, wasn't he?
- 18 Q. Either, well, in opposition or...
- 19 A. I think I saw him once when he was in
20 opposition. At least, as much as I recall.
- 21 Q. What kind of contact was that?
- 22 A. Well, we met at the Ritz Carleton and had
23 a drink. Ritz Carleton Hotel in Montreal.
- 24 Q. Did you have any contact with him while he
25 was Prime Minister? Personal contact.
- 26 A. When you say personal contact, it means
27 from your sight, I saw him or what? What is personal
28 contact?
- 29 Q. You saw him or spoke to him on the phone.
- 30 A. No, not that often. No.
- 31 Q. So is that not that often or no never?

R. v. MBB Helicopter Canada et al.
K. Schreiber - In-ch.
(Continued...)

1 A. I -- I don't -- I mean you speak about the
2 time frame and that makes it difficult for me. I tried to
3 be correct in my answer as you may understand, so to have a
4 memory back 20 years where I had the telephone call with
5 him in 1979 or in August or September, I can't tell you
6 that. I recall I met him at the Ritz Carleton for one or
7 two or three times when I was in Montreal. That's it.
8 Q. And would these have been when he was the
9 Prime Minister or before?

10 A. No. Before. I did not meet him private
11 anywhere when he was Prime Minister.

12 Q. You don't recall meeting him when he was
13 Prime Minister?

14 A. When you say private, I understand his
15 home or outside the government. No. Not once.

16 Q. Did you meet him elsewhere while he was...
17 MR. SCHABAS: Your Honour, it's my friend's
18 witness. He's got his answer. The last
19 question started with a "did you", but many of
20 these questions, I mean, he's leading him.
21 It's his own witness.

22 THE COURT: He said, "Did you meet him in
23 private?" and now he's asking him if he met
24 him in other context, I take it.

25 MR. BERNSTEIN: Q. Did you meet him in any
26 other context while he was Prime Minister?

27 A. Yes. I had breakfast with him.

28 Q. What kind of meeting was that?

29 A. Regarding the Bear Head Project, together
30 with Mr. MacKay.

31 COURT REPORTER: Sorry, I didn't hear that?

R. v. MBB Helicopter Canada et
K. Schreiber - In-ch.
(Continued...)

1 THE WITNESS : MacKay .
2 THE COURT : Which project, sir? I'm sorry.
3 THE WITNESS : Bear Head.
4 THE COURT : Bear Head.
5 THE WITNESS : That was main objective in
6 Canada.

7 MR. BERNSTEIN: Q. Who were you acting for
8 in connection with Bear Head Project?
9 A. I was the chairman from Thyssen Bear Head
10 Industries.

11 Q. Thyssen is a...
12 A. Huge German company 180,000 employees.
13 3,500, approximately, in Canada.
14 Q. And in the most general of terms, what was
15 the Bear Head Project?

16 A. The Bear Head Project was a project which
17 would be established at the Straight of Canso near
18 Hawkesbury on the request of the Canadian Government under
19 Sinclair Stevens and Bob Brown after the water plant and
20 the gulf refinery was shut down, to bring business to --
21 and employment to a pretty starving area.

22 Q. The area was where?

23 A. Straight of Canso .

24 Q. Okay. That's in Nova Scotia?

25 A. Nova Scotia.

26 Q. Cape Breton .

27 A. Cape Breton .

28 Q. The plan was to build what there?

29 A. A factory for light armored vehicles,
30 peacekeeping equipment and environment protection

1 equipment. At the beginning, it might have been more later
2 on.

3 Q. Did that plan ever come to fruition?

4 A. Yes. We worked -- we worked on this for
5 about 10 years.

6 Q. But nothing -- there is no plant?

7 A. There's no plant, no. We lost, finally,
8 through all the craziness I was involved in, perhaps.

9 Q. Apart from this breakfast meeting, was
10 there any other contact?

11 A. Yes. I saw him once in the lobby from the
12 house or in his office, or with -- with the same -- with
13 the same matter.

14 Q. When you say the same matter?

15 A. The Project of Bear Head Industries.

16 Q. Did you have dealings -- any contact with
17 him on behalf of MBB?

18 A. No. Not to my recollection.

19 Q. Did you ever talk to him about
20 helicopters?

21 A. No.

22 Q. You've mentioned meeting with Mr. Coates?

23 A. Yes.

24 Q. I assume you knew Mr. Coates or know
25 Mr. Coates?

26 A. Oh, yes. I've known him for a long time.

27 Q. Mr. Coates was a, formerly, a Minister of
28 National Defence in the Canadian Government?

29 A. Yes.

30 Q. When did you first meet Mr. Coates?

1 A. When he used to be the chairman of the
2 Conservative Party. There were strong ties between the
3 German conservatives and the Canadian conservatives.

4 Q. In what way?

5 A. Well, they visited each other. For
6 example, Mr. Stauffenberg -- Count Stauffenberg. You may
7 have heard the name. His father was the one who tried to
8 kill Hitler. A close friend of mine.

9 Q. So tell me about this sort of contact?
10 A. Well, this is how conservatives meet. You
11 travel and you see your guys.

12 Q. Well, tell me. I don't know. Tell me.

13 A. Like -- like you see your friend when you
14 are...or when you are with...you meet your -- you meet your
15 friends.

16 Q. Okay. So...

17 A. They come to Germany and you come to
18 Canada or wherever in the world.

19 Q. Okay. So, how does Mr. Coates fit into
20 that?

21 A. Please?

22 Q. How does Mr. Coates fit into that?

23 A. What do you mean?

24 Q. How did he fit into this? I asked you
25 how...

26 A. Oh, yeah. He was -- he was the president
27 of the Conservative Party. And then one, whether it was --
28 I don't even recall whether it was Mr. Stauffenberg or
29 whoever. I saw him, briefly, when he was in opposition.

30 Q. This would have been around when?

31 A. Late '70s, also.

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(Continued...)

1 Q. Do you become friendly with Mr. Coates?
2 A. Oh, yeah. He was a great humorous guy. I
3 like -- I like him a lot. Still I do.

4 Q. And did you have any business dealings
5 with Mr. Coates before he became the minister?

6 A. No.

7 Q. Do you know Mr. Sinclair Stevens?

8 A. Yes.

9 Q. How did you come -- or tell me about your
10 first meeting with him?

11 A. Well, I think it -- it dealt with the Bear
12 Head Project because Mr. Stevens was very much involved in
13 this and, so I saw him and together with Bob Brown, the
14 Deputy Minister who, by the way, later on became the
15 President from Canadair and Bombardier and did nothing
16 understand from aircrafts and locomotives. Allow me to say
17 that.

18 Q. Pardon? I didn't hear the last little --
19 what did you say?

20 A. I said, "Allow me to say that" that a
21 manager does not consequently has to be an engineer to
22 understand each of other equipment, as you asked me
23 yesterday.

24 Q. He also became the -- he was involved in
25 Air Canada?

26 A. Who?

27 Q. Air Canada?

28 A. Who?

29 Q. Mr. Brown.

30 A. No, he became the President of Canadair.

1 THE COURT : We're just having a general
2 conversation about matters that don't...

3 THE WITNESS : That produced aircrafts and the
4 German defence ministry bought them.

5 MR. BERNSTEIN: Q. Right.

6 A. The Challenger.

7 Q. Okay. So with respect to Mr. Sinclair, you
8 first met him in what context?

9 A. I think I met him at his office with
10 Mr. Moores, perhaps.

11 Q. This would have been once he was in
12 government?

13 A. Yes, and he was the minister, yes.

14 Q. And do you run into him or have been
15 introduced to him...

16 A. Oh, no. We had -- we had the official
17 meeting with him.

18 Q. Before then, had you met him or been
19 introduced to him...

20 A. No.

21 Q. ... in a...

22 A. No.

23 Q. ... conservative...

24 A. No, no.

25 Q. ... circle? No?

26 A. No.

27 Q. And who introduced you to him?

28 A. I think Mr. Moores, as far as I recall.

29 Q. This would have been in the context of
30 what?

31 A. With Bear Head Industries.

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(Continued...)

1 Q. Mr. Sinclair's job at the time was what?
2 A. I think he was the Minister of Economy and
3 Trade. You know, this name has always changed. I think,
4 finally, it was DRIE.

5 Q. Okay. Do you know a gentleman named Elmer
6 Mackay?

7 A. Sure.

8 Q. When did you meet Mr. Mackay?

9 A. I think around the same time when I saw
10 Mr. Coates the first time.

11 Q. It would have been when?

12 A. Also in the late '70s or so.

13 Q. Did you meet them or were you with them
14 during the first leadership campaign you spoke...

15 A. Oh, no.

16 Q. No?

17 A. No.

18 Q. With Coates?

19 A. You mean where the first meeting with him
20 took place?

21 Q. No. Did you have contact with him during
22 the first leadership campaign?

23 A. That would have been long before he was
24 the minister.

25 Q. Yes.

26 A. Could be that I have met him with Walter
27 Wolf, because these were all his friends.

28 Q. And ...

29 A. But I don't recall.

30 Q. Do you recall meeting Coates during this
31 leadership campaign?

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A. No.
Q. You can't recall?
A. No.
Q. I'm wondering if we can take a look at Document 15874. And before we -- we'll just take some care in pulling it up here.
THE COURT : Is this a document that's previously been made an exhibit?
MR. BERNSTEIN: Previously -- no.
MR. SCHABAS: Could we not put it on the witness screen until we can take a look at it.
THE COURT : Yes. Thank you. That was going to be my request. 15874, right? Don't put it on -- okay. That's fine. Thank you.
MR. BERNSTEIN: My intention here is to simply to refresh the witness's memory, Your Honour, as it relates to the second paragraph of this letter.
THE COURT : Yes. Mr. Schabas...
MR. SCHABAS: Well, Your Honour,
THE COURT: ...this is a letter, apparently, authored by Mr. Schreiber.
MR. SCHABAS: That's fine, but I wonder of the utility of refreshing his memory about whether he met somebody about 30 years ago or almost 30 years ago, many, many years before the issues that are in this case. I just submit, we're getting so far afield if we're going to get into trying to explore the poor witness's memory about when he may have first met somebody, and now he's going to refresh his

1 memory by showing him a letter that was
2 written 16 years ago about an event that
3 occurred, I think at least 10 years before
4 that. It's tapping my memory to remember when
5 Joe Clark became the leader of the

6 Conservative Party. It was a long time ago.

7 THE COURT : This letter, obviously, is
8 authored some ten years after the event we've
9 just been talking about. What is it to
10 refresh his memory in relation to?

11 MR. BERNSTEIN: On his dealings with
12 Mr. Coates in connection with the first
13 leadership convention.

14 THE COURT : But this is long after that, isn't
15 it? Is there mention in there of...

16 MR. BERNSTEIN: Yes. It says it brought back
17 good memories of our dear -- it says, "An
18 unexpected highlight to the day was our chance
19 meeting of the Prime Minister Mulroney."

20 THE COURT : I see, okay.

21 MR. BERNSTEIN: "This really struck a
22 sentimental cord because it was with you,
23 Cliff," -- you, Mr. Coates -- "...Cliff and
24 Steven that I first came to know Brian in
25 our," -- "in our efforts leading up to the
26 19..."

27 THE COURT : All right. All right.

28 MR. BERNSTEIN: 19...

29 THE COURT : I don't want you to read it to the
30 witness. I was debating whether you should
31 have the witness refer to it, but you've



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- 1 A. I saw the -- excuse me. I saw the...
2 Q. The police go to these fancy places.
3 A. Maybe Mr. Matthews or Mr. Alexander, I
4 don't know who was ever -- they asked Mr. Birkner about what
5 -- how much did you donate, and Birkner told them.
6 Q. All right. All right. Did you recall
7 providing any funds directly or indirectly or assisting Frank
8 Moores or anyone else in providing any funds directly or
9 indirectly...
10 A. To?
11 Q. To anyone at MBB between '85 and '89?
12 A. In Germany?
13 Q. Yeah.
14 A. No. Why would he do that?
15 Q. What?
16 A. Why would he do that? He got money from
17 them. Not the other way around.
18 Q. Did you provide any funds directly or
19 indirectly to any Canadian elected officials after 1989?
20 MR. SCHABAS: Your Honour, is this again...
21 MR. BERNSTEIN: Q. Which related to,
22 directly or indirectly, in part or in whole, in any way, to
23 MBB?
24 MR. SCHABAS: Is there a time frame on this?
25 'Til what 'til when?
26 THE COURT: Until yesterday, I guess.
27 THE WITNESS: MBB or the helicopter deal?
28 MR. BERNSTEIN: Q. MBB.
29 A. No.
30 Q. You took some time before you answered
31 that question.

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(Continued...)

1 MR. SCHABAS: I'm not sure that that's very...
2 THE WITNESS : Yeah, but you see this is...
3 MR. SCHABAS: This is not a cross-examination.
4 I don't think that is a fair characterization.
5 THE WITNESS: ...very complicated what you
6 ask.

7 MR. BERNSTEIN: Q. What?

8 A. I mean , it's very complicated what you
9 ask.

10 Q. Why is it complicated?

11 A. MBB, you have to think about was there
12 anything with MBB after that, related to what, and why I
13 would send somebody in Canada participate. It makes no sense
14 at all. The whole question makes no sense to me. Excuse me.

15 Q. Have you hired any elected Canadian
16 officials who during -- who were part of the government in
17 1985 to 1989, have you subsequently hired...?

18 MR. SCHABAS: Your Honour....

19 MR. BERNSTEIN: Q. ...and retained...

20 THE WITNESS : In that years? In that years?

21 MR. SCHABAS: Just a minute.

22 THE COURT : Hold on. Yes, sir.

23 MR. SCHABAS: This is a wide open question.
24 We've been around this. I object to the
25 nature of the question.

26 MR. BERNSTEIN: Okay. The question...

27 THE COURT : What is the full question?

28 MR. BERNSTEIN: The question was: Have you
29 subsequently hired any elected government
30 officials who were part of the government,
31 elected government officials who were part of

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(Continued...)

1 the government between '85 and '89? So, during
2 '85 and '89, these people would be elected MPs
3 or ministers or whatever, and subsequently
4 have you hired him?

5 THE WITNESS : After '89, you say...

6 THE COURT : I'll allow the question.

7 MR. BERNSTEIN: Q. All right. So after

8 '89...

9 A. You said after '89.

10 Q. Yeah.

11 A. I wonder why don't you simply say whether
12 Brian Mulroney was engaged and hired by me after he was the
13 Prime Minister of Canada. The whole world knows it. Why do
14 you go around? Just simply ask straightforward questions and
15 I'll give it to you.

16 Q. He won't let me.

17 A. I have no problems with that. The whole
18 world knows that.

19 Q. So tell me. Tell us.

20 A. Yes.

21 Q. Tell us how this came about?

22 A. Number one, what has it to do with MBB and
23 the helicopters? Number two, this is a fishing trip, in my
24 opinion, based on the whole thing around was Mulroney bribed
25 by Schrieber, or whatever, and did he ever get money? And
26 the whole world knows, yes, he received funds from me.

27 Q. How much?

28 THE COURT : Well, what's the relevance of
29 that?

30 THE WITNESS : I mean this really, but I
31 expected to be here.

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K. Schreiber - In-ch.
(Continued...)

1 MR. BERNSTEIN: Well, Your Honour, the...
2 THE COURT : What I'm going to do, sir,
3 Mr. Schreiber, because of the time, I'll tell
4 you you're no longer required today, because I
5 want to hear from counsel, and so you don't --
6 you can go home or to your hotel, sorry. We
7 won't be recalling you this afternoon, so be
8 here, would you, tomorrow morning at ten
9 o'clock and I'll hear what...
10 THE WITNESS : Okay. Thank you, sir, very
11 much.
12

13 ...[WITNESS EXITS]
14

15 MR. BERNSTEIN: Your Honour, I'd...
16 THE COURT : Yes.
17 MR. BERNSTEIN: I'd like it, if I was -- if it
18 is appropriate and the court allows any
19 further questions, one of the next questions
20 would be: Does this relate in any way directly
21 or indirectly to MBB? If the answer is no,
22 then that's that. But this is a different
23 period of time and a different thing in the
24 sense of it's hiring somebody and obtaining
25 somebody. It's after the time period I
26 covered. Mr. Schabas insisted or he thought
27 it best and we proceeded on the basis of
28 drawing a line in terms of the time period in
29 mid 1989, and you say, well, what's the
30 difference what was done after 1989. The
31

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(Continued...)

1 question is asked and the purpose is to simply
2 explore whether there was any understanding
3 reached during the material time which was
4 implemented after the material time. In
5 terms of elected public officials, was there
6 some understanding reached during the time
7 period to do something after the time period?
8 THE COURT : Why can't you ask him that
9 question?

10 MR. BERNSTEIN: I'd like to cross-examine this
11 witness and I'd...

12 THE COURT : Sure. I'm sure that you would,
13 but you can't.

14 MR. BERNSTEIN: I know, and how I ask the
15 questions is informed by the general rules
16 respecting the examination in-chief. I would
17 like to ask that exact question. Was there
18 some of -- did you have any understanding with
19 elected public officials which are reached
20 during the time period...

21 THE COURT : So...

22 MR. BERNSTEIN: ...which contemplated the
23 provision of funds or hiring or retention of
24 the provision of services after the time
25 period, and which directly or indirectly in
26 part related to MBB or were as a result of
27 MBB, or were for MBB's benefit?

28 THE COURT : Well, there -- there we are.
29 We're there and that's probably a question I
30 could understand as opposed to simply, did

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(Continued...)

1 Mr. Mulroney work for you in 1994 or after
2 '89? Because that question relates to
3 nothing, whereas the question you've just
4 proposed follows logically from the other
5 questions you asked. We can start with that
6 tomorrow morning.

7 MR. BERNSTEIN: Thank you, Your Honour.

8 THE COURT: Subject, Mr. Schabas, if you have
9 further objections that arise out of the
10 manner in which I...

11 MR. SCHABAS: Yes, thank you, Your Honour.

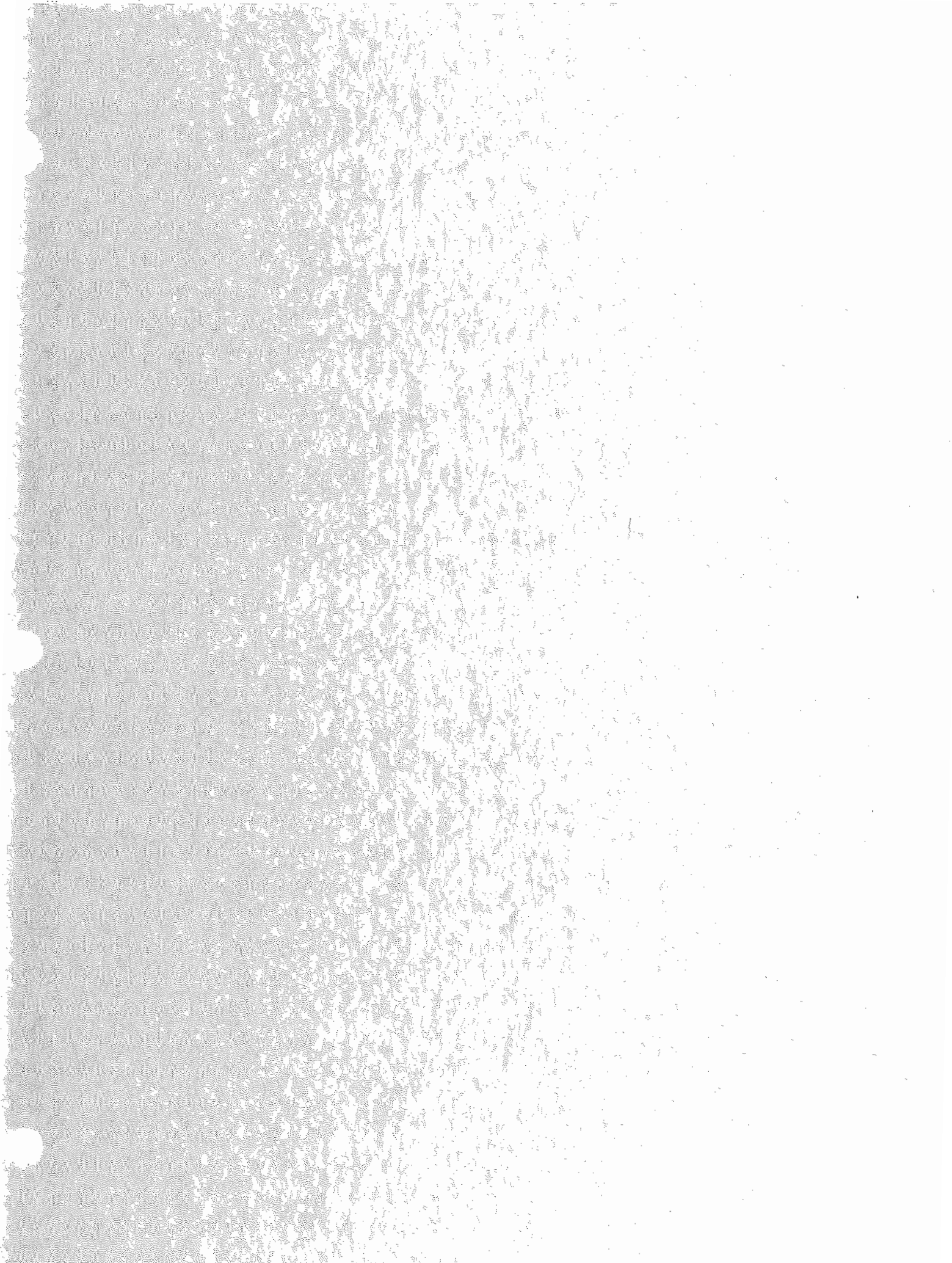
12 THE COURT: ...I've suggested to Mr. Bernstein
13 might wish to put questions to the witness.

14 MR. SCHABAS: Thank you, Your Honour.

15 THE COURT: But we'll hear from you tomorrow
16 morning if there's something you want to say.
17 Thank you, gentleman. We'll see you tomorrow
18 morning at ten o'clock.

19 COURT REGISTRAR: All rise, please.

20
21 COURT ADJOURNS
22
23
24
25



1 MR. BERNSTEIN: Q. Did you support a
 2 particular candidate?

3 A. Yes. At the first -- at the first
 4 convention, I was approached by Mr. Wolf, and my company
 5 donated, I think, 25 or \$30,000.

6 Q. To who?

7 A. I gave it to Mr. Wolf. Unfortunately, I
 8 learned later on it never showed up in the books from the
 9 Conservative Party. This happens quite often.

10 Q. That things don't show up in the books?

11 A. Yeah. They disappear.

12 Q. I see you're smiling, ah?

13 A. Yes. You think you donate to a party and
 14 the money disappears. It happens -- it happened several
 15 times. Not only to me.

16 Q. Okay. Who did you understand this
 17 donation was made in favour of?

18 A. I donated this for the leadership campaign
 19 of Mr. Mulroney.

20 Q. And just to be clear, was this the
 21 leadership campaign which resulted in Mr. Clark's election?

22 A. Yes. Yes.

23 Q. Did you support Mr. Mulroney's leadership
 24 bid, the second one, that one in which he ultimately won?

25 A. No.

26 Q. The funds, which were donated in
 27 connection with the first leadership bid, you indicated
 28 came from your company?

29 A. Yes.

30 Q. Which company?

31 A. I think it was MLE.

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(Continued...)

1 Q. What was the source of that money?

2 A. Hmm?

3 Q. How was that -- what was the source of
4 that money?

5 MR. SCHABAS: Well, again, you know...

6 THE WITNESS: Company's money.

7 MR. SCHABAS: Wait a minute. Your Honour,
8 It's one thing to ask him some questions as we
9 discussed at the last objection, and just to
10 get into going beyond that and where the money
11 came from and, you know, where he took the
12 money from. If he made a donation, he made a
13 donation. I thought (that's what Mr. Bernstein
14 wanted to address. That's what he -- Mr. Wong
15 has found the reference to the transcript. I
16 think Mr. Moeres was asked two questions on
17 this issue, about the Mulrovey's leadership
18 campaign and whether he knew whether Schreiber
19 supported it and then he moved on. But this
20 is now becoming a fishing expedition and is
21 something that I submit has no relevance.

22 THE COURT: Is it not sufficient for your
23 purposes to know that the funds came from MLE?

24 MR. BERNSTEIN: I'll move on.

25 THE COURT: Thank you.

26 MR. BERNSTEIN: I'll move on in order to
27 continue my examination, but I do not accept
28 my friend's position at all.

29 MR. BERNSTEIN: Q. Now, with respect to the
30 time period between the first leadership campaign and the

10
 R. v. MBB Helicopter Canada et al
 K. Rohrbach - In-ct.
 (Continued...)

1 second leadership campaign, did you meet Mr. McGowan
 2 periodically?

3 A. I lived in Alberta. I haven't seen him
 4 that often.

5 Q. You saw him sometimes?

6 MR. SCHABAS: Well,

7 THE WITNESS: Maybe. I'm not -- I'm not
 8 sure. Yeah, maybe.

9 MR. BERNSTEIN: Q. And you've indicated
 10 some contact in terms of commercial introductions. Was
 11 there any other kind of contact?

12 A. No. Private, yeah.

13 Q. Pardon me?

14 A. Perhaps private. If I -- If I had to go
 15 for business purposes to Montreal and he was around, I
 16 would have met him for a drink or so.

17 Q. Okay. Now, apart from a donation MBE's
 18 behalf in connection with the first leadership campaign,
 19 did you participate at all in any way in the second
 20 leadership campaign, the one which resulted in Mr.
 21 Mulroney...

22 A. No.

23 Q. In no way?

24 A. Not to my recollection.

25 Q. Did any companies in which you had an
 26 interest, participate?

27 A. No.

28 Q. Did you attend the convention?

29 A. No.

30 Q. Do you know Mr. Mulroney?

31 A. Yes.

R. v. MBE Helicopter Gamma et al
K. Schreiber - In-ch
(Continued...)

1 Q. When did you meet Mr. Mulroney?
2 MR. BCHAABAS: Your Honour, I'm going to -- why
3 are we getting into his relationship with
4 Mr. Mulroney? We've already had a discussion
5 to justify getting into his relationship with
6 Frank Moores.
7 THE COURT: Our concern is about his
8 relationship with Mr. Moores, Mr. Bernstein?
9 MR. BERNSTEIN: He tells -- Mr. Moores
10 testified that Mr. Schreiber claimed that he
11 supported the Mulroney leadership bid and that
12 he knew Mulroney. I can understand why my
13 friend does not want to hear this evidence,
14 but in my respectful submission, this is
15 directly relevant and material to this fraud
16 case. My friend says: Where does it matter
17 where the money came from or where it went?
18 That's what -- this is a fraud case. How the
19 -- where the money was generated? Where it
20 went? Where it came from? Why it was sent to
21 where it was and for what purpose, is what in
22 part this case is about. What Mr. Moores and
23 Mr. Schreiber did for the money, given their
24 contacts, relationships, and the like, with
25 people in government is also very important
26 and relevant to this case. That's why I asked
27 the question.
28 THE COURT: Well, we know that he knew
29 Mulroney. Do we need more than that? And if
30 we do, why is it important?

1 MR. BERNSTEIN: It's -- I'd be pleased to
 2 answer the question but I'd like to do so in
 3 the absence of the witness.

4 THE COURT: Okay. A constitutional search
 5 for you, Mr. Schralber.

6
 7 ...WITNESS EXITS. (10:30 a.m.)

8
 9
 10 MR. BERNSTEIN: The clause in issue -- or one
 11 of them -- Article 22 says, amongst other
 12 things, that -- it's entitled, "No Bribe,
 13 etc ...". The contractor warrants that it has
 14 not employed any person to solicit or secure
 15 the contract or upon an agreement for a
 16 commission, percentage, brokerage, or
 17 contingent fee."

18
 19 Mr. Schralber is a -- I say this with respect
 20 -- in the asphalt business with no previous
 21 experience whatsoever in the selling of
 22 helicopters or anything of this nature.
 23 Indeed, there's no evidence that he had any
 24 knowledge whatsoever of the procurement
 25 process. My friend objected to that question
 26 as being irrelevant. Nevertheless, he's hired
 27 by a multinational company to -- to do what we
 28 will -- to do things which Your Honour has
 29 heard a bit about and which, inevitably, we
 30 will hear more about through Mr. Schralber.

31

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K. Schreiber - Is-ah
(Continued...)

1 What Your Honour has, however, heard so far is
2 Mr. Moore's and to a lesser extent, Mr.
3 Schreiber's attendance at certain meetings
4 involving ministers and deputy ministers and
5 dinners, and the like. In my respect -- when
6 we ask Mr. Moore what he was retained to do
7 -- and in summarizing or characterizing his
8 evidence -- it was to give his background, and
9 obviously his background in conservative
10 politics and in government to open doors. One
11 opens those doors on the basis of friendships
12 and relationships and ties, including
13 political ties.

14
15 There was a change of government. The
16 conservative government became the governing
17 power and Mr. Moore, on his own evidence,
18 sets up shop as a consultant or lobbyist in
19 Ottawa, to facilitate contacts with government
20 officials.

21
22 Article 22, in part, exists as a prophylactic
23 prohibition against inappropriate contacts
24 with government officials?

25
26 Mr. Schreiber has testified to his contact
27 with conservative government officials, first
28 in Germany, and now conservative -- we're
29 hearing a bit about conservative officials in
30 Canada.

31

R. v. MBB Helicopter Canada et al
K. Schreiber - In-oh,
(Continued...)

1 He tells Moores that -- well, I anticipate we
2 will -- we heard a bit of evidence. We'll
3 hear more evidence that they are both
4 interested -- and these are my words -- in the
5 Conservative Party and conservative politics,
6 that he tells Moores that he knows and has
7 supported the Prime Minister. He will ask him
8 what he tells Mr. Pfeleiderer and Mr. Pluckthun
9 or Mr. Strauss about his contacts in Canada.
10 In my respectful submission, he is the one who
11 brings Pfeleiderer to Moores on Moores's
12 evidence. Why Pfeleiderer approaches him or
13 Pfeleiderer's relationship with him, in my
14 respectful submission, would seem likely to
15 have been based on 1) his tie to the Strauss
16 family in Germany and then his tie to the new
17 Conservative government in Canada. When I say
18 his "tie " I say it in the most general of
19 senses.

20
21 This is what I am attempting to elicit
22 evidence of, the relationship. He goes --
23 they say, well, why does it matter whether he
24 knows or how well he knows Mr. Mulroney?
25 Well, if he goes to Mr. Pfeleiderer and says to
26 Mr. Pfeleiderer, "I'm friendly with the new
27 Prime Minister. I supported his leadership
28 campaign. I'm friendly with the President of
29 the Conservative Party of Canada. I can get
30 -- I can do these things. I can get these
31 doors open, then that may explain why they

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K. Schreiber - In-ch.
(Continued..)

1 hired him. Indeed, he may have said other
2 things to Mr. Pfeiderer.

3 THE COURT: Well, he may but are you -- is it
4 your theory that that is what occurred and
5 that -- based on investigation or are you
6 merely at this point in an exploratory
7 exercise to determine whether or not this
8 occurred?

9 MR. BERNSTEIN: We know that Mr. Strauss -- we
10 know that Mr. Schreiber had an important
11 relationship with Mr. Strauss. We know from
12 Mr. Moores -- and Mr. Moores caught -- what
13 Mr. Moores was selling through Alta Nova and
14 through GCI was his contacts and associations.
15 Indeed, in his ability to understand
16 government -- and I think the term is "open
17 doors".

18
19 We know of Schreiber's relationship with
20 Strauss. We know of Moores' relationship in
21 Canada, and we are now learning about
22 Schreiber's own relationship in "opening
23 doors" in Canada. These are things which we
24 know -- well, we know about Strauss --
25 Schreiber's relationship with Strauss. We
26 know about his relationship with Moores and we
27 know about Moores' relationship with the now
28 -- with the governing party and the
29 government. That's all presently known.
30

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(Continued...)

1 I'll give you an example, Your Honour. If we
2 go to Document 16759... Can we pull Document
3 16759 up on the screen?

4
5 Okay. We have here a letter from Pfleiderer
6 to head office. This is Pfleiderer writing to
7 his bosses. He says in the first paragraph:

8 "MBB's Activity in Canada,

9
10 Cooperation with members of the new
11 Canadian government was very close even
12 before they were elected and contributed
13 inter alia to winning the Canadian
14 helicopter bid. Mr. K.H. Schreiber and,
15 for the client, Frank D. Moores, the
16 former premier of Nova Scotia, looked
17 after the activities.

18
19 Talks with the Minister of Regional
20 Expansion, Sinclair Stevens, and the
21 Minister of Defense, Robert Coates, were
22 arranged through these contacts."

23
24 It says Pfleiderer is reporting to his bosses
25 that through contacts with Schreiber and
26 Moores -- Schreiber and Moores were assisted
27 in facilitating the Canadian helicopter
28 contract through contacts with the new
29 Canadian government. They go on to
30 specifically enumerate,

31 "Talks with the Minister of Regional
32 Expansion, Sinclair Stevens, and the
33 Minister of Defense, Robert Coates, were
34 arranged through these contacts..."

35
36 Schreiber and Moores -- at least Pfleiderer is
37 telling his bosses -- arranged meetings with
38 Sinclair Stevens and Robert Coates,

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(Continued...)

1 "... and were to deal primarily with
2 opportunities for MBB to become further
3 involved in Canada in the aerospace and
4 defence industry.

5
6 These talks were to be held prior to the
7 cabinet meeting concerning these matters
8 and will therefore be held on November 8,
9 9, and 10."

10
11 My friend says what does this got to do with
12 anything? This has got a lot to do with the
13 case and the true nature of the relationship
14 between MBB, MCL, Schralber and Moors. And
15 Pfeleiderer is a co-defendant, a controlling
16 mind on both MCL, on the Crown's theory, and
17 an important executive in MBB is saying that
18 these agents, Schralber and Moors, arranged
19 this.

20
21 There is another one, a document..

22 THE COURT: At this point, that's fine.

23 Mr. Schabas, Mr. Bernstein paints a fairly
24 compelling picture in my view of the relevance
25 of this particular questioning, but I'll hear
26 from you further if you don't think so.

27 MR. SCHABAS: Your Honour, I submit that he
28 has not made this relevant. What he also
29 knows and what the prosecution has taken the
30 position, as long ago as when Superintendent
31 Matthews swore an information to obtain a
32 search warrant is that there's no evidence
33 that Mr. Mulrooney is implicated in anything.
34 He had even received a letter more recently,

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(Continued...)

1 along with Mr. Schreiber, from the
2 Commissioner of the RCMP saying there is no
3 suggestion of any prosecution of him.
4 Mr. Moores hasn't been prosecuted for
5 anything. He ran a legal lobbying business.
6 If my friend is prosecuting a case that deals
7 with bribes of the government, well, that's
8 not this case.
9 THE COURT: Well, no. No, no.
10 MR. SCHABAS: And yet...
11 THE COURT: Quite clearly not. Quite a few
12 individuals have been mentioned who had a
13 direct association with the corporate entities
14 who are before the court and may -- and I take
15 it that on one view -- and I'm not saying that
16 this is the view that I ought to take, but on
17 the one view people might say Moores or
18 Schreiber, having no privity of contract with
19 the government, did nothing wrong. I'm just
20 saying on one view. That doesn't mean to say
21 that they're involvement is not crucial to the
22 actions of MCL and MBE, and just because they
23 haven't been charged, and indeed even if they
24 were guilty of absolutely no criminal or even
25 civil misconduct, that doesn't mean to say
26 that their role in the development of the
27 situation with which we are ultimately
28 involved is not important, and as with
29 Mr. Mulroney, he was obviously the head of
30 cabinet for which these ministers, Sinclair
31 Stevens and Robert Coates were working, and so

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(Continued...)

1 It's not as if we're talking about the current
2 Pope at the time. We're talking about someone
3 who is an integral part of the organic
4 structure within which these events occur. At
5 least, that's my view of it at this point.

6 MR. SCHABAE: Your Honour, I can say that
7 we've got almost 40,000 documents disclosed to
8 us. There's not a shred of evidence that
9 Mr. Mulroney is implicated in anything.

10 THE COURT: Maybe not.

11 MR. SCHABAE: And there is not a shred of
12 evidence that I can see that suggests that
13 bribes were paid to anybody in the government.
14 This case is about a relationship on my
15 friend's theory between Mr. Schreiber and
16 Mr. Moore and my client, and to get into all
17 sorts of other things about, well, how close a
18 relationship did he have with this person or
19 that person in the government, and in my
20 submission it's really irrelevant.

21 THE COURT: Well, is it not relevant to any
22 submissions that Schreiber or Moore may have
23 made to head office about their relationship
24 with Canadian government officials in order
25 for them to agree to provide them for
26 compensation based on their knowledge of the
27 workings of government? It has nothing to do
28 with Mr. Mulroney's guilt or innocence of
29 anything at all, but rather any
30 representations that may have been made to
31 headquarters of MBB.

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(Continued...)

1 MR. SCHABAS: Then they should ask him about
2 that, Your Honour. With respect, why doesn't
3 he ask him what representations Mr. Schreiber
4 made to Mr. Pfisterer or Mr. Plouffe or
5 Mr. Strauss about his knowledge?

6 MR. BERNSTEIN: I will. I promise. I will..

7 THE COURT: I think we're going there. At
8 this point I..

9 MR. SCHABAS: But he's coming at it in a
10 different way and we may -- you know, he may

11 -- that's great, he promises to do that, but

12 in the meantime he's going to go on a long

13 unnecessary fishing expedition about other

14 contacts. The relevant thing is what's his

15 relationship and what's he telling MBB? If

16 that's on that theory of the case, I accept

17 that, but why go to all these other things?

18 Are we going to go through the list of

19 cabinets? Why go to Mr. Mulroney? There's

20 nothing in here about that either. To me,

21 it's irrelevant. It's very interesting, but

22 it's irrelevant.

23 THE COURT: Out of an abundance of caution and

24 bearing in mind if this evidence is elicited,

25 sought and obtained, it is not likely to be of

26 a particularly inflammatory nature, and

27 risking irrelevance and balancing that off

28 against relevance, and the necessity to give

29 the court a better understanding of the

30 background, I am going to allow Mr. Bernstein

31 to continue. Recall the witness, please.

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1 And in that sense, Mr. Bernstein, I don't
2 think we need to go at great, great lengths
3 to...
4 MR. BERNSTEIN: I understand.
5 THE COURT: ...dot every "T" and cross every
6 "T" and obtain every little bit of evidence
7 relating to this particular avenue of
8 questioning, insufficient.
9 MR. BERNSTEIN: Yes.
10 THE COURT: It's broadly outlined.
11 MR. BERNSTEIN: Yes.

12
13 SCHREIBER, KARLHEINZ: PREVIOUSLY SWORN

14
15 EXAMINATION IN CHIEF BY MR. BERNSTEIN:

16 Q. Do you know Mr. Mulroney?
17 A. Yes.
18 Q. When did you meet him?
19 A. It's hard to say. Somewhere late '70s.
20 Q. How would you describe your -- did you
21 have some sort of relationship with him?
22 A. Well, I saw him the first time.
23 Q. Did you see him, periodically, over the
24 years?
25 A. Not that much until the late '80s I would
26 say.
27 Q. Between the late '70s and the late '80s,
28 would your contact with him be social?
29 A. Yes.
30 Q. A ny other kind of contact?

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(Continued...)

1 A. No. He used to be the President of Iron
2 Ore, as you may know.

3 Q. What does him being the President of Iron
4 Ore have to do with the nature of your contact with him?

5 A. This was the profession when I met him and
6 this is what I learned he was doing. And also, that he
7 had a law firm, too. And that he is a potential candidate
8 for Canada for the Conservative Party.

9 Q. When he became the head of the
10 Conservative Party and the Prime Minister, did you have any
11 continuing contact with him?

12 A. Please? Again?

13 Q. When he became the head of the
14 Conservative Party and the Prime Minister, did you have any
15 contact with him?

16 A. Maybe I've seen him once. The Prime
17 Minister? I think he was first in opposition, wasn't he?

18 Q. Either, well, in opposition or...

19 A. I think I saw him once when he was in
20 opposition. At least, as much as I recall.

21 Q. What kind of contact was that?

22 A. Well, we met at the Ritz Carleton and had
23 a drink. Ritz Carleton Hotel in Montreal.

24 Q. Did you have any contact with him while he
25 was Prime Minister? Personal contact.

26 A. When you say personal contact, it means
27 from your angle, I saw him or what? What is personal
28 contact?

29 Q. You saw him or spoke to him on the phone.

30 A. No, not that often. No.

31 Q. So is that not that often or no never?

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 (Continued...)

1 A. I -- I don't -- I mean you speak about the
 2 time frame and that makes it difficult for me. I tried to
 3 be correct in my answer as you may understand, so to have a
 4 memory back 20 years where I had the telephone call with
 5 him in 1979 or in August or September, I can't tell you
 6 that. I recall I met him at the Ritz Carleton for one or
 7 two or three times when I was in Montreal. That's it.

8 Q. And would those have been when he was the
 9 Prime Minister or before?

10 A. No. Before. I did not meet him private
 11 anywhere when he was Prime Minister.

12 Q. You don't recall meeting him when he was
 13 Prime Minister?

14 A. When you say private, I understand his
 15 home or outside the government. No. Not once.

16 Q. Did you meet him elsewhere while he was...

17 MR. SCHABAS: Your Honour, it's my friend's
 18 witness. He's got his answer. The last
 19 question started with a "did you", but many of
 20 those questions, I mean, he's leading him.
 21 It's his own witness.

22 THE COURT: He said, "Did you meet him in
 23 private?" and now he's asking him if he met
 24 him in other context, I take it.

25 MR. BERNSTEIN: Q. Did you meet him in any
 26 other context while he was Prime Minister?

27 A. Yes. I had breakfast with him.

28 Q. What kind of meeting was that?

29 A. Regarding the Bear Head Project, together
 30 with Mr. MacKay.

31 COURT REPORTER: Sorry, I didn't hear that?

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 (Continued...)

1 THE WITNESS : MacKay.
 2 THE COURT : Which project, air? the sorry.
 3 THE WITNESS : Bear Head.
 4 THE COURT : Bear Head.
 5 THE WITNESS : That was main objective in
 6 Canada.
 7 MR. BERNSTEIN: Q. Who were you acting for
 8 in connection with Bear Head Project?
 9 A. I was the chairman from Thyssen Bear Head
 10 Industries.
 11 Q. Thyssen is a...
 12 A. Huge German company 180,000 employees.
 13 3,500, approximately, in Canada.
 14 Q. And in the most general of terms, what was
 15 the Bear Head Project?
 16 A. The Bear Head Project was a project which
 17 would be established at the Strait of Canso near
 18 Hantsport on the request of the Canadian Government under
 19 Sinclair Stevens and Bob Brown after the water plant and
 20 the gulf refinery was shut down, to bring business to -
 21 and employment to a pretty starving area.
 22 Q. The area was where?
 23 A. Strait of Canso.
 24 Q. Okay. That's in Nova Scotia?
 25 A. Nova Scotia.
 26 Q. Cape Breton.
 27 A. Cape Breton.
 28 Q. The plan was to build what there?
 29 A. A factory for light armored vehicles,
 30 peacekeeping equipment and environment protection

1 equipment. At the beginning, it might have been more later
 2 on.

3 Q. Did that plan ever come to fruition?

4 A. Yes. We worked -- we worked on this for
 5 about 10 years.

6 Q. But nothing -- there is no plant?

7 A. There's no plant, no. We lost, finally,
 8 through all the craziness I was involved in, perhaps.

9 Q. Apart from this breakfast meeting, was
 10 there any other contact?

11 A. Yes. I saw him once in the lobby from the
 12 house or in his office, or with -- with the arms -- with
 13 the same matter.

14 Q. When you say the same matter?

15 A. The Project of Bear Head Industries.

16 Q. Did you have dealings -- any contact with
 17 him on behalf of MBB?

18 A. No. Not to my recollection.

19 Q. Did you ever talk to him about
 20 helicopters?

21 A. No.

22 Q. You've mentioned meeting with Mr. Contes?

23 A. Yes.

24 Q. I assume you knew Mr. Contes or know
 25 Mr. Contes?

26 A. Oh, yes. I've known him for a long time.

27 Q. Mr. Contes was a, formerly, a Minister of
 28 National Defence in the Canadian Government?

29 A. Yes.

30 Q. When did you first meet Mr. Contes?

1 A. When he used to be the chairman of the
2 Conservative Party. There were strong ties between the
3 German conservatives and the Canadian conservatives.

4 Q. In what way?

5 A. Well, they visited each other. For
6 example, Mr. Stauffenberg -- Count Stauffenberg, You may
7 have heard the name. His father was the one who tried to
8 kill Hitler. A close friend of mine.

9 Q. So tell me about this sort of contact?

10 A. Well, this is how conservatives meet. You
11 travel and you see your guys.

12 Q. Well, tell me. I don't know. Tell me.

13 A. Like -- like you see your friend when you
14 are...or when you are with...you meet your -- you meet your
15 friends.

16 Q. Okay. So...

17 A. They come to Germany and you come to
18 Canada or wherever in the world.

19 Q. Okay. So, how does Mr. Costas fit into
20 that?

21 A. Please?

22 Q. How does Mr. Costas fit into that?

23 A. What do you mean?

24 Q. How did he fit into this? I asked you
25 how...

26 A. Oh, yeah. He was -- he was the president
27 of the Conservative Party. And then one, whether it was --
28 I don't even recall whether it was Mr. Stauffenberg or
29 whoever. I saw him, briefly, when he was in opposition.

30 Q. This would have been around when?

31 A. Late '70s, also.

- 1 Q. Do you become friendly with Mr. Costes?
- 2 A. Oh, yeah. He was a great humorous guy. I
- 3 like -- I like him a lot. Still I do.
- 4 Q. And did you have any business dealings
- 5 with Mr. Costes before he became the minister?
- 6 A. No.
- 7 Q. Do you know Mr. Sinclair Stevens?
- 8 A. Yes.
- 9 Q. How did you come -- or tell me about your
- 10 first meeting with him?
- 11 A. Well, I think it -- it dealt with the Bear
- 12 Head Project because Mr. Stevens was very much involved in
- 13 this and, so I saw him and together with Bob Brown, the
- 14 Deputy Minister who, by the way, later on became the
- 15 President from Canadair and Bombardier and did nothing
- 16 understand from aircrafts and locomotives. Allow me to say
- 17 that.
- 18 Q. Pardon? I didn't hear the last little --
- 19 what did you say?
- 20 A. I said, "Allow me to say that" that a
- 21 manager does not consequently has to be an engineer to
- 22 understand each of other equipment, as you asked me
- 23 yesterday.
- 24 Q. He also became the -- he was involved in
- 25 Air Canada?
- 26 A. Who?
- 27 Q. Air Canada?
- 28 A. Who?
- 29 Q. Mr. Brown.
- 30 A. No, he became the President of Canadair.

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(Continued...)

1 THE COURT: We're just having a general
2 conversation about matters that don't...

3 THE WITNESS: That produced aircraft and the
4 German defence ministry bought them.

5 MR. BERNSTEIN: Q. Right.

6 A. The Challenger.

7 Q. Okay. So with respect to Mr. Sinclair, you
8 first met him in what context?

9 A. I think I met him at his office with
10 Mr. Moores, perhaps.

11 Q. This would have been once he was in
12 government?

13 A. Yes, and he was the minister, yes.

14 Q. And do you run into him or have been
15 introduced to him..

16 A. Oh, no. We had -- we had the official
17 meeting with him.

18 Q. Before then, had you met him or been
19 introduced to him..

20 A. No.

21 Q. ... in a..

22 A. No.

23 Q. ... conservative...

24 A. No, no.

25 Q. ... circle? No?

26 A. No.

27 Q. And who introduced you to him?

28 A. I think Mr. Moores, as far as I recall.

29 Q. This would have been in the context of
30 what?

31 A. With Bear Head Industries.

1 Q. Mr. Sinclair's job at the time was what?
2 A. I think he was the Minister of Economy and
3 Trade. You know, this name has always changed. I think,
4 finally, it was DREE.
5 Q. Okay. Do you know a gentleman named Elmer
6 MacKay?
7 A. Sure.
8 Q. When did you meet Mr. MacKay?
9 A. I think around the same time when I saw
10 Mr. Coates the first time.
11 Q. It would have been when?
12 A. Also in the late '70s or so.
13 Q. Did you meet them or were you with them
14 during the first leadership campaign you spoke...
15 A. Oh, no.
16 Q. No?
17 A. No.
18 Q. With Coates?
19 A. You mean where the first meeting with him
20 took place?
21 Q. No. Did you have contact with him during
22 the first leadership campaign?
23 A. That would have been long before he was
24 the minister.
25 Q. Yes.
26 A. Could be that I have met him with Walter
27 Wolf, because these were all his friends.
28 Q. And ...
29 A. But I don't recall.
30 Q. Do you recall meeting Coates during this
31 leadership campaign?



1 A. No.

2 Q. You can't recall?

3 A. No.

4 Q. Am wondering if we can take a look at

5 Document 15874. Document 15874. And before we -- we'll just

6 take some care in pulling it up here,

7 THE COURT: Is this a document that's

8 previously been made an exhibit?

9 MR. BERNSTEIN: Previously -- no.

10 MR. SCHABAS: Could we not put it on the

11 witness screen until we can take a look at it.

12 THE COURT: Yes. Thank you. That was going to

13 be my request, 15874, right? Don't put it on

14 -- okay. That's fine. Thank you.

15 MR. BERNSTEIN: My intention here is to simply

16 to refresh the witness's memory, Your Honour,

17 as it relates to the second paragraph of this

18 letter,

19 THE COURT: Yes. Mr. Schabas...

20 MR. SCHABAS: Well, Your Honour.

21 THE COURT: ...this is a letter, apparently,

22 authored by Mr. Schralber,

23 MR. SCHABAS: That's fine, but I wonder of the

24 utility of refreshing his memory about whether

25 he met somebody about 90 years ago or almost

26 90 years ago, many, many years before the

27 issues that are in this case. I just submit,

28 we're getting so far afield if we're going to

29 get into trying to explore the poor witness's

30 memory about whom he may have first met

31 somebody, and now he's going to refresh his

1 memory by showing him a letter that was
2 written 16 years ago about an event that
3 occurred, I think at least 10 years before
4 that. It's tapping my memory to remember when
5 Joe Clark became the leader of the
6 Conservative Party. It was a long time ago.
7 THE COURT: This letter, obviously, is
8 published some ten years after the event we've
9 just been talking about. What is it to
10 refresh his memory in relation to?
11 MR. BERNSTEIN: On his dealings with
12 Mr. Coster in connection with the first
13 leadership convention.
14 THE COURT: But this is long after that, isn't
15 it? Is there mention in there of...
16 MR. BERNSTEIN: Yes. It says it brought back
17 good memories of our dear -- It says, "An
18 unexpected highlight to the day was our chance
19 meeting of the Prime Minister Mulroney."
20 THE COURT: I see, okay.
21 MR. BERNSTEIN: "This really struck a
22 sentimental cord because it was with you,
23 Cliff," -- you, Mr. Coster -- "...Cliff and
24 Steven that I first came to know Brian in
25 our," -- "in our efforts leading up to the
26 19..."
27 THE COURT: All right. All right.
28 MR. BERNSTEIN: 19..
29 THE COURT: I don't want you to read it to the
30 witness. I was debating whether you should
31 have the witness refer to it, but you've

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investigation and we have come to certain conclusions, and this is why we are pursuing this particular line. It's relevant in relation to this." I haven't heard that from you, yet. If you wish, I'll have the witness excused and you can outline it for me, but if I find that this doesn't advance the Preliminary Hearing, I may simply have to curtail your continued cross-examination, because I don't not find it at this point particularly instructive, but I may be completely wrong. I may have missed the point and I want to give you the opportunity to clarify it all for me. If the only answer you seek is the one that -- the original question you asked, I'll let that go, but anything further, you'll have to justify.

MR. BERNSTEIN: Okay. Well, I'll start with the question.

MR. BERNSTEIN: Q. Have you subsequently hired any elected government officials who were part of the government, ~~elected government officials who were part of~~ the government between '85 to '93, and you subsequently hired them?

A. No, not -- not between. In '93.

Q. In '93?

A. Yes.

Q. When in '93?

A. Oh, I think it was close to December or even -- maybe even '94.

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THE COURT: And who was that, sir? Who were they -- who were these people?

THE WITNESS: This was Mr. Mulroney.

THE COURT: Anybody else?

THE WITNESS: No. And he dealt with his position, to make it very simple for you, Mr. Bernstein, as a member of the board from Midland Archer Daniels.

MR. SCHABAS: I'm sorry. I couldn't hear that answer.

THE WITNESS: Midland Archer Daniels. It's a huge American company dealing with food and agriculture products.

MR. BERNSTEIN: Q. Was there any discussions respecting this hiring before January of 1994?

A. No. And, yeah, in '93, perhaps. But I'm not too convinced whether that was -- this particular case, you asked me whether I did. I had many things in mind, and I told you, I wanted to hire Mr. Mulroney for Thyssen to be doing the same thing he's doing now, and it would have been a nice thing to have a previous Canadian Prime Minister on a peacekeeping track for Thyssen products. Again, as this government wanted the German companies to do, I would have been very happy if he would have done this. Unfortunately, we had no chance for that, but yes, and they told -- I was involved in the pasta business and enriched Durham semolina products and this is the moment when I spoke to him about Archer Daniels. And he provided me with some material on it.

Q. All right. I just want to understand...

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A. But they did not intend [ph] the helicopter and it has nothing to do with MBB.

MR. BERNSTEIN: Your Honour, I'm just going to ask -- I just wanted to get the time frame clear.

MR. BERNSTEIN: Q. These thoughts or this idea that you had, this plan, what time are we talking about?

A. After Mr. Mulroney has left government.

Q. After he had ceased ~~---~~ after he had stepped down ~~as~~ the Prime Minister?

A. Yes. Yeah.

Q. Was it before or after the election of the fall of '93?

A. No, I don't -- I don't recall.

MR. SCHABAS: Your Honour, the witness has said it had nothing to do with helicopters and MBB, so we're into...

THE WITNESS: Not at all, no.

MR. SCHABAS: ...this area of...

THE WITNESS: But this is what he's all after all the time, so I give him ~~---~~ I was pleased to give him the answer.

THE COURT: Just a moment. All right.

THE WITNESS: I apologize.

THE COURT: Okay. Let's go on to something else.

MR. BERNSTEIN: Okay. Your Honour, what I think I can do now is, if I can just say something, and just have a minute to see if I've completed everything. Okay, Your Honour?

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With respect to just saying-something, Your Honour, it would be -- it would have been my intention to have pursued this and other related areas, but no, I understand Your Honour's view. I'm mindful of Your Honour's rulings and in the circumstances, in particular having regard to your rulings respecting "related in whole or in part to MBB" and Mr. Schreiber's statements on that topic.... Well, I think it'd be fair to...

THE COURT: Would you rather I hear from you at two o'clock, Mr. Bernstein? It's twenty to?

MR. BERNSTEIN: No, Your Honour. No, I think that your rulings would inform any other questions I might ask and related answers, and so I don't want to go -- I'm not going to ask questions which I know Your Honour's rulings either directly or indirectly would inform so. And in the circumstances, I think that that completes my examination of -- I don't know. Does Your Honour want to take the break now or...?

THE COURT: Well, if you've concluded your examination, I'll take my break now and we'll start with Mr. Schabas' cross-examination at two o'clock this afternoon.

MR. BERNSTEIN: Okay. Your Honour, I guess I'll just ask the officer if there's anything I've missed but...

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THE COURT: Well, if you find that there is something, you can raise it with me at two o'clock, otherwise we'll start with Mr. Schabas' cross-examination.

COURT REGISTRAR: All rise, please.

THE COURT: Okay. Two o'clock, Mr. Schreiber, please.

THE WITNESS: Yes.

THE COURT: Thank you.

COURT REGISTRAR: Court is in recess.

R E C E S S

(12:45 p.m.)

U P O N R E S U M I N G:

(2:03 p.m.)

COURT REGISTRAR: Court is now reconvened.
Please be seated.

~~THE COURT: Mr. Bernstein?~~

MR. BERNSTEIN: In all of the circumstances, Your Honour, that completes my examination.

THE COURT: Thank you very much. Mr. Schabas, cross-examination of this witness?

MR. SCHABAS: Yes, Your Honour. I do not have any questions of Mr. Schreiber.

THE COURT: Mr. Schreiber, that's it. C'est tout.

THE WITNESS: Yeah, but...

R. v. MBB Helicopter Canada et al.

THE COURT: How do you say "that's all" in German?

THE WITNESS: Das vaus [ph].

THE COURT: Das vaus [ph].

THE WITNESS: But Your Honour, if you allow me to extend my politeness to Mr. Bernstein for one second. I brought something regarding my last testimony and I think it would be very valuable if he gets to know it.

MR. BERNSTEIN: If I what? What's that?

THE WITNESS: I have a couple of things I would like...

THE COURT: Do you want to do this off the record. It might be best if it was done off the record, sir.

COURT REPORTER: I'll just go off the record, Your Honour.

THE WITNESS: Okay.

....OFF RECORD COMMENTS.

THE COURT: So, if you have something to say to Mr. Bernstein, I'm concerned, sir, about anything you might say which in some way creates a difficulty at this Preliminary Hearing, so if there is something you want to say to Mr. Bernstein, I'll ask you to say it directly or through your counsel.

R. v. MBB Helicopter Canada et al.

THE WITNESS: It might be helpful to you, too, sir.

THE COURT: I'm sorry?

THE WITNESS: It might be helpful to you, too.

THE COURT: Well, I'm only helpful to the extent that counsel want me to be helpful, sir. So I'm going to ask you to defer and to proceed, if you have anything to say to Mr. Bernstein, to do it either through your counsel or directly to him, but we'd best -- we'd best stop things there. I thank you very much, Mr. Schreiber for your time, and...

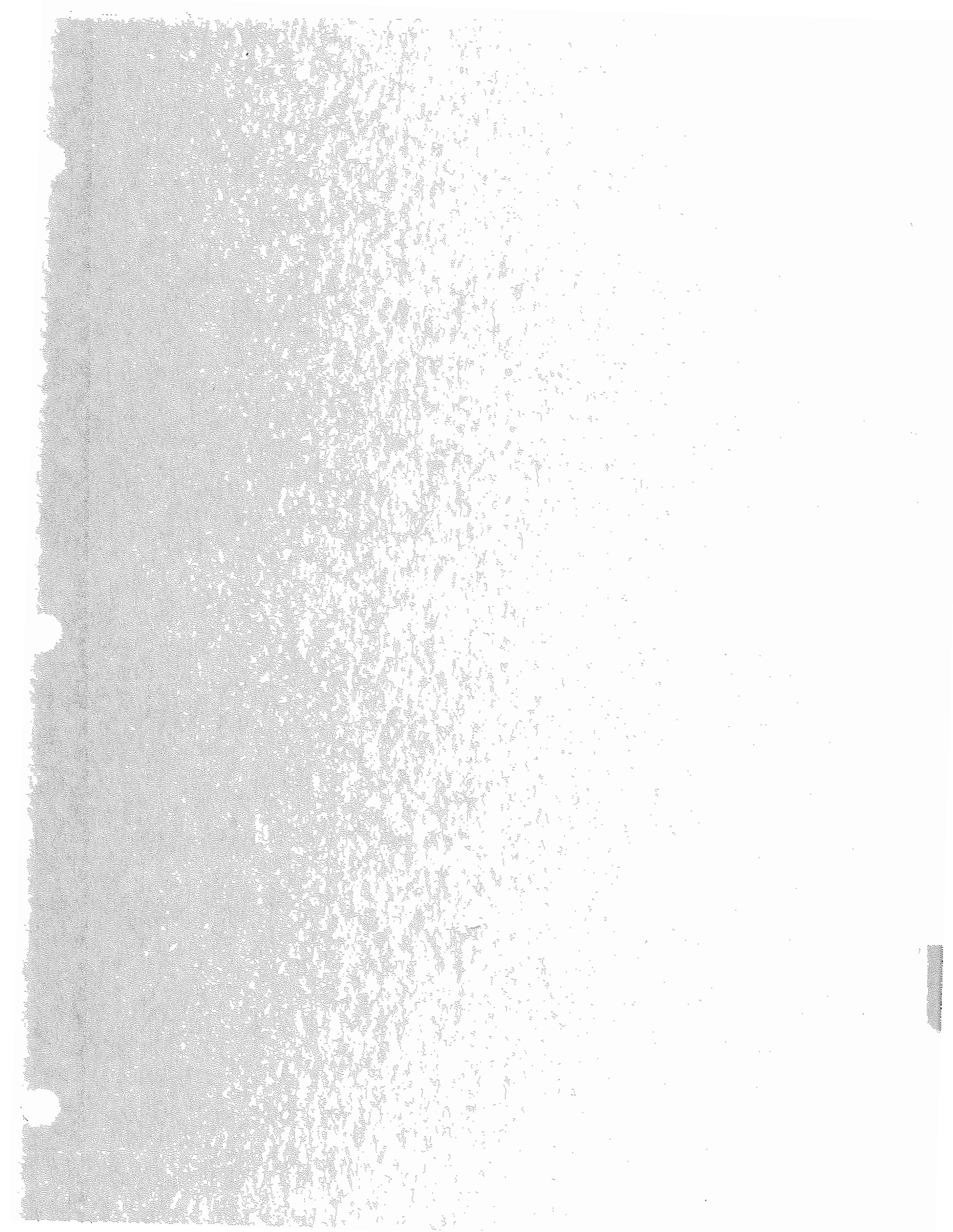
THE WITNESS: Thank you so much, sir.

THE COURT: ...and your evidence at this Preliminary Hearing. Thank you. Good luck to you.

THE WITNESS: Thank you so much, sir.


MR. BERNSTEIN: Your Honour, the next order of business is of a technical nature, and I don't anticipate it will take long.

The first bit of it relates to one document, which is Document 1234. Can Document 1234 be brought up on the screen, please? Your Honour, the first page of Document 1234 which is Goto Page 2 of a 14 page document, is presently on



Handwritten initials and a circled '1' in the top right corner.

Canadian Broadcasting Corporation
Société Radio-Canada

CBC  Radio-Canada

February 22, 2005

DELIVERED VIA FACSIMILE

The Right Honourable Brian Mulroney
Ogilvy Renault
Suite 1100
1981 McGill College Avenue
Montreal, Quebec
H3A 3C1
Fax: 514-286-5474

Dear Mr. Mulroney:

Re: Airbus: ten years later

As you are aware, we are working on a review of the Airbus matter, ten years after it first came to public attention. We would like to interview you to get your perspective on this and related subjects at this juncture. We feel it would be invaluable in bringing our audience up to date.


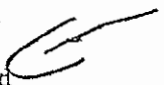
Some time has passed since you initiated and settled your libel suit against the federal government. We suspect you have now had the opportunity to reflect on the whole affair, and may be willing to share your thoughts with our audience. Indeed, given the way you were initially brought into the story with the revelation of the federal government's letter to the Swiss government in this regard, we recognize this may be the first real opportunity you have had to address directly viewers' concerns about the Airbus matter.

In our review, we are willing to consider any issues you feel deserve further public attention, but there are some issues we've identified that would clearly benefit from comment by you.

For example, you were Prime Minister of Canada when Air Canada, a Crown Corporation at the time, decided to purchase Airbus planes. That purchase led to over \$20 million in secret Airbus commissions going into Karlheinz Schreiber's bank accounts in Switzerland. We would be interested in your reflection on the significance of these commissions, and your thoughts as to how Canadians ought to react to them. We would also be interested in your response to the statement by Mr. Schreiber's German lawyer that some of the secret commission money was given to Mr. Schreiber to use as "Schmiergeld" for Canadian "decision makers".

2005 FEB 22 11:49 AM

In addition, as I told Luc Lavoie, we would like your input on the following:

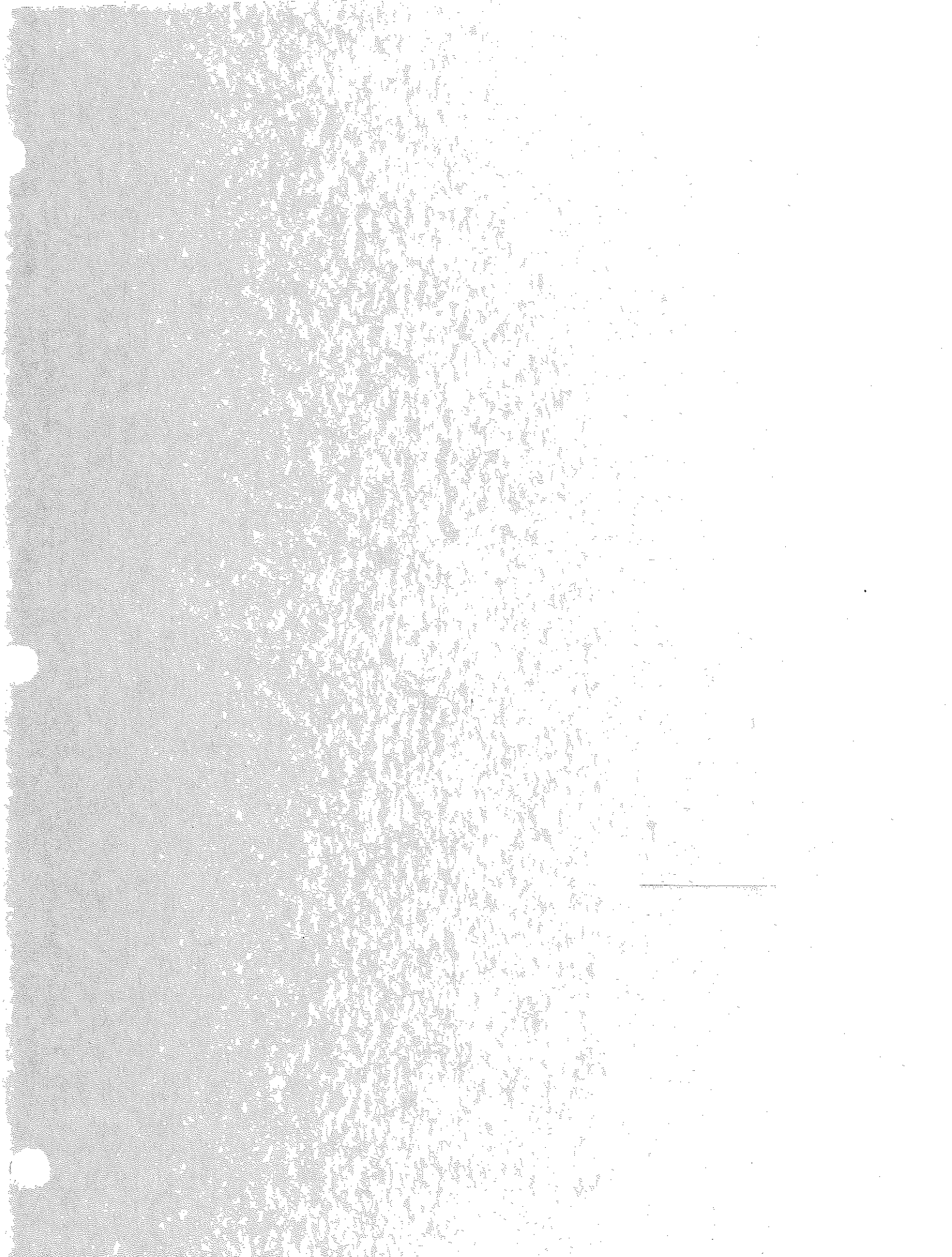
- 1) **Your relationship with Karlheinz Schreiber**
 - a) On November 20, 1995 your lawyers filed a Statement of Claim which indicated that, "Plaintiff has never received any of the alleged payments, in any form, from any person, whether named or not in the Request for Assistance, for any consideration whatsoever."
 - b) In 1996 you testified under oath that you "had never had dealings" with Karlheinz Schreiber.
 - c) In the fall of 1999, the fifth estate obtained copies of Karlheinz Schreiber's bank account records, and learned that one of those accounts had the additional code name "Britan", set up in Canadian funds. Our letter to you asking for your assistance resulted in a call from Luc Lavoie, who told us, on your behalf, that you had nothing to do with any coded account set up in Switzerland.
 - d) We now have evidence that on October 17, 1999, just prior to our broadcast, ~~you~~ ~~asked~~ Robert Hladun, Mr. Schreiber's lawyer in Alberta, for a letter from Mr. Schreiber indicating that "at no time did Mr. Mulroney solicit or receive compensation of any kind from Karlheinz Schreiber." 
 - e) ~~We also have evidence that at the same time you asked your lawyer, Gerald Tremblay, to ask Mr. Edward Greenspan for a similar letter from Karlheinz Schreiber. We understand that Mr. Schreiber refused to provide this letter.~~ 

We would like to understand your perspective on each of these points, and how you reconcile them with your more recent acknowledgment that you received a significant sum in cash from Karlheinz Schreiber in 1993 and 1994.

We would like an interview with you to address what that money was in exchange for, what work was done for the money, and when and how the money was received.

2) **Your voluntary tax declaration**

We would like to talk to you about the voluntary tax declaration you filed with Revenue Canada. We have information that you made this declaration *after* Mr. Schreiber refused to give you the letter you sought in 1999 — ~~the letter that would have said you never received funds from Karlheinz Schreiber.~~ When your spokesperson, Mr. Lavoie, met with me, he told me that a declaration like the one you made to Revenue Canada was something that happens often. He also told me that there was nothing illegal about filing a voluntary tax declaration. I sincerely appreciate Mr. Lavoie's view on these matters but would, of course, appreciate



Mar-24-05 02:27pm From:Hladun & Company

+7804240834

T-197 P.002/002 F-424

March 10/05
2:47 pm

From: Schreiberbarbel@aol.com
Subject: Re: Hello
To: Harvey_Cashore@CBC,CA

Hi Harvey,

yes it was nice to chat with you,even when I don't share your views. We experience this for ten years.

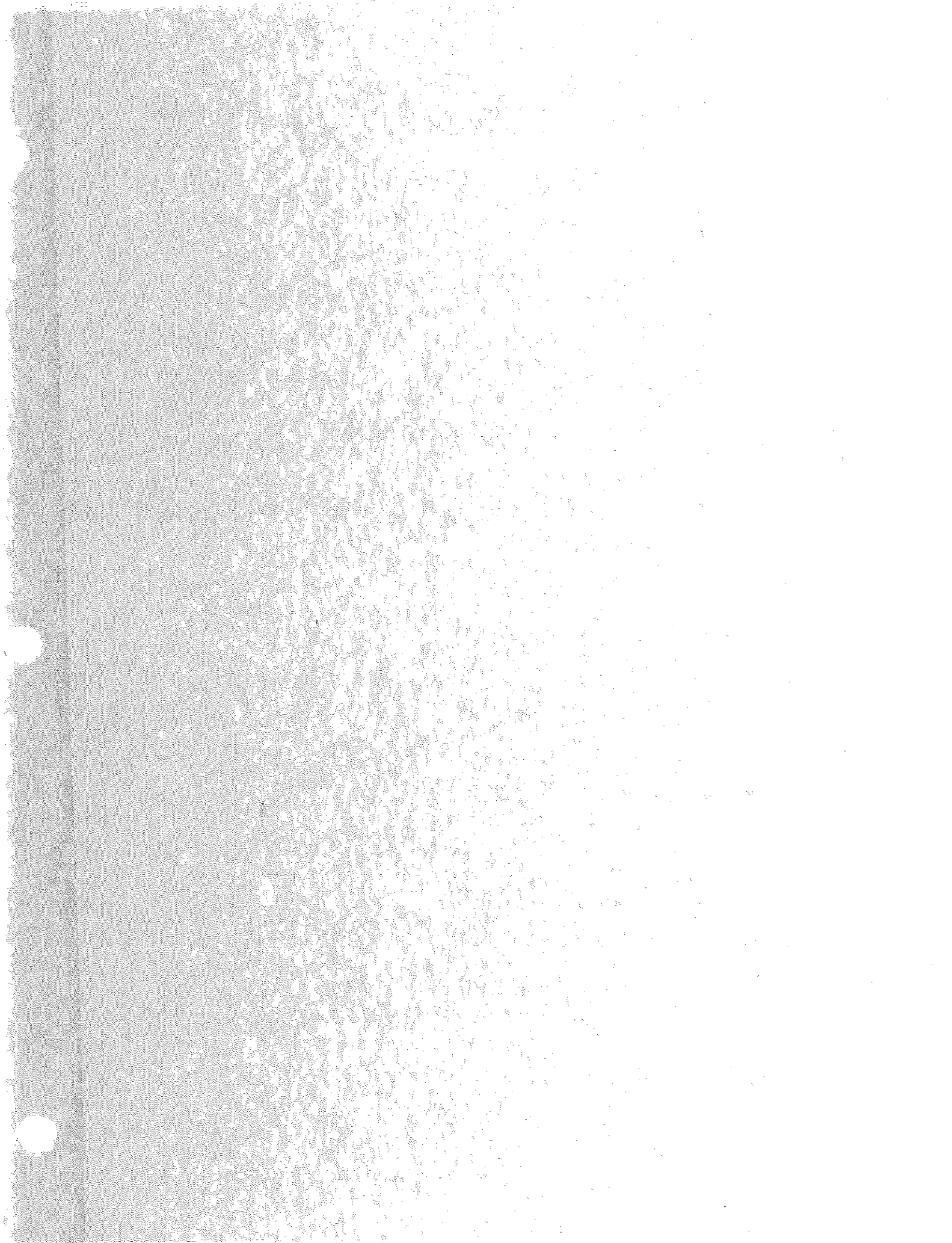
Do not misinform Canadtens. I was not asked to write a letter,that would have involved me in not telling the truth.

I will be happy to tell you more about the busjnessmann from England.

Have a nice day and say hello to John

Karlheinz

cc Edward Greenspan
cc Robert Hladun



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February 21, 2007

Weir Foulds LLP
Barristers and Solicitors
1600 - The Exchange Tower
130 King Street West
Toronto, ON
M5X 1J5

Attention: Kenneth Prehogan

Dear Sirs:

**RE: The National Post - The Rt. Hon. Brian Mulroney, PC
175-171**

The newspaper has now had a chance to review the issues you raised in your letter.

We agree that the word "had" was left out of the quote from the transcript. Including that word in the column in the circumstances would not have eradicated the underlying issue you raise, however.

The fundamental issue appears to be the context in which the quote was taken. The transcript contains many parts where the deponent was speaking of conversations and meetings with Mr. Schreiber and as a result the impression created by the use of the quote (whether or not including the word "had") in the circumstances is misleading.

The quote and its meaning have been the subject of many publications and broadcasts. The *National Post* is by no means the first to have treated the quote in this manner. In that context, the most effective way to deal with this situation in our view is to provide readers with the fuller context of the quote – i.e. to make it clear that when Mr. Mulroney testified that he had not had no dealings with Mr. Schreiber he was speaking in reference to the Airbus matter and that Mr. Mulroney testified at other times regarding meetings and conversations with Mr. Schreiber after Mr. Mulroney had ceased to be Prime Minister.

We would propose the following wording --

BRIAN MULRONEY

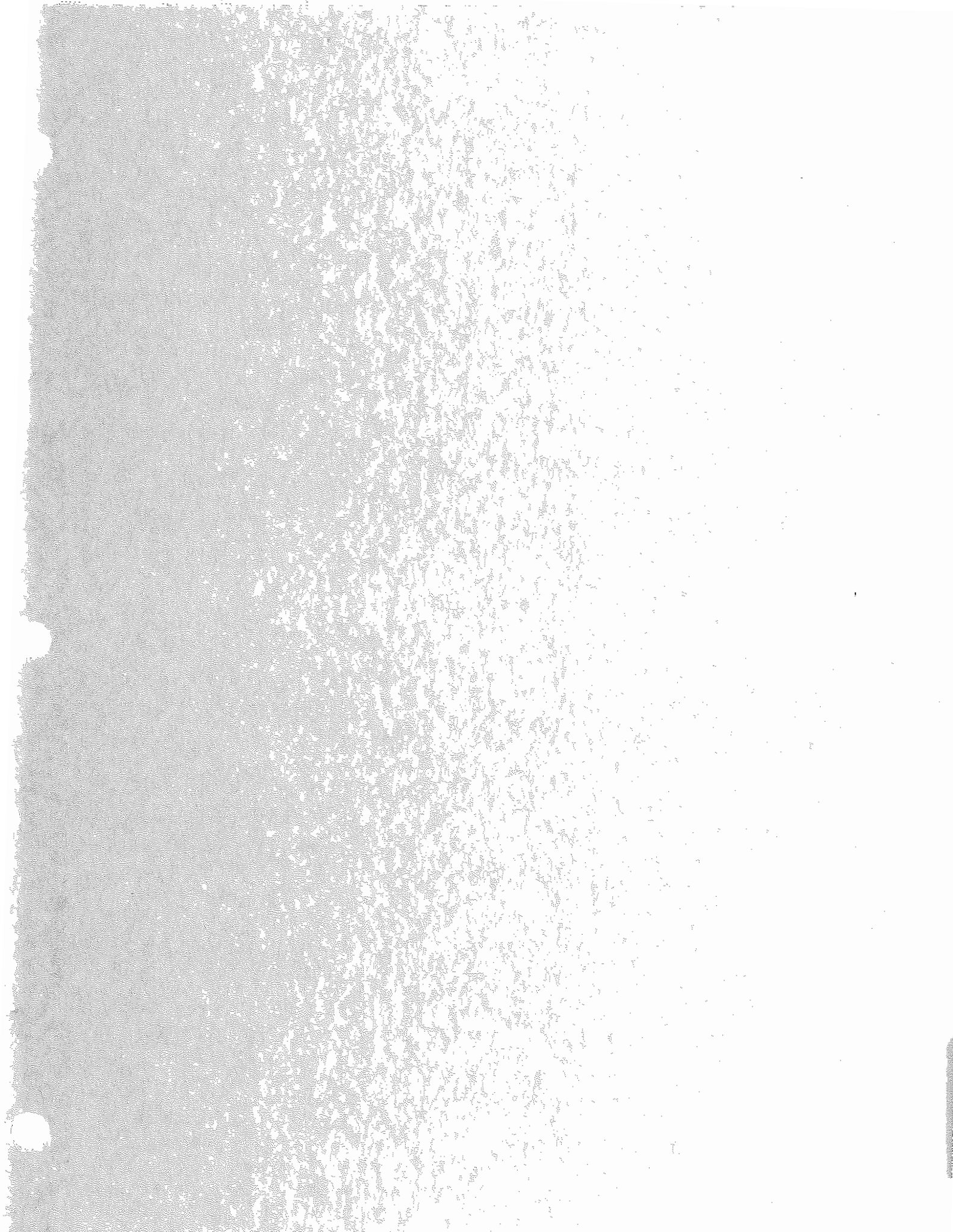
In the column "Don't Ignore this Scandal" by Warren Kinsella (February 1), some of the testimony of former Prime Minister Brian Mulroney in his libel action against the Government of Canada in 1996 was quoted. The column did not set the full context of a quote from the transcript where Mr. Mulroney said he had not had any dealings with Karlheinz Schreiber. The column did not report that Mr. Mulroney was answering a question about the purchase by the federal government of the Airbus product and stated that he had no dealings with Mr. Schreiber in that context. Elsewhere in the examination, Mr. Mulroney testified about conversations and meetings he had with Schreiber after Mr. Mulroney was out of the Prime Minister's office.

The *National Post* sincerely regrets any false impression it created about the testimony of Mr. Mulroney and apologizes to him for any embarrassment or concern it has caused.

Please may we have your views on this wording. Once the wording is finalized, the newspaper will publish it in a box on the editorial page or the page opposite it in the next available edition of the newspaper.

Yours very truly,
O'Donnell, Robertson & Sanfilippo
Per:

Stuart M. Robertson



It's not hard to see why. Members of the breakaway Mohawk group behind the occupation have at best a dim grasp of the facts, coupled with unrealistic expectations of the settlement they might receive. For instance, when the squatters insisted the disputed land had never been transferred from the band to the Crown, Ottawa produced documents showing that indeed it had. To this, the squatters coun-

squatters last spring, it would have ended their fanciful protest. By continuing to negotiate with these deluded dead-enders, the true parties to the dispute have fed the squatters' beliefs in their own distorted view of events.

Until someone removes the squatters and calls a halt to negotiations, the people of Caledonia will have to live with this potentially volatile situation on their doorsteps.

BRIAN MULRONEY

In the column "Don't ignore this Scandal" by Warren Kinsella (Feb. 1), some of the testimony of former prime minister Brian Mulroney in his libel action against the government of Canada in 1996 was quoted. The column did not set the full context of a quote from the transcript where Mr. Mulroney said he had not had any dealings with Karlheinz Schreiber. The column did not report that Mr. Mulroney was answering a question about the purchase by the federal government of the Airbus product and stated that he had no dealings with Mr. Schreiber in that context. Elsewhere in the examination, Mr. Mulroney testified about conversations and meetings he had with Schreiber after Mr. Mulroney was out of the prime minister's office.

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Quebec City region. There, the Parti Québécois (PQ) has fallen to third place in the province's election campaign and Dumont's Action Démocratique Québec (ADQ) is nipping at the heels of Jean Charest's front-running Liberals. The PQ would do well to retain the seats they now hold in the provincial capital while Dumont is a real threat to take several more Quebec City ridings in addition to the one he already holds. The Liberals hold the other eight seats in the city, and are putting a lot of effort into keeping them. Just yesterday Charest was in town to announce a \$31-million modernization of the Hôtel-Dieu hospital. Just as Quebec is preparing for the 400th anniversary of its founding next year as "the cradle of French North America," so Charest calls the hospital, founded in 1639, as "the cradle of medicine in North America."

Standing beside the Premier as he made this announcement was Philippe Couillard, the brain surgeon turned health minister. Easily the most popular member of Charest's cabinet, Couillard agreed to move from a safe Montreal seat to Jean Talon in Quebec City, the very heart of the provincial Liberal establishment along the Grande Allée. It is thought of the most important members of Cabinet moving from Montreal to Quebec City is flattering to Quebecers, wh-

New York state of mind

A lesson from Gotham:
Boo your bums when
they play like bums

FRANK DEFORD
on Sports

It's a nice place to visit, but I wouldn't want to play there.

And yet, no matter how many Americans move west and south to cactus-and-cotton land, New York City remains the epicentre of American sport.

It's a myth that New York teams have to win for a league to succeed. They don't. They just have to

aging bull, George Steinbrenner, as the number-one villain in town. Train wrecks are spectator sports, too. Look at the New York Rangers: What they need better than the playoffs is a good scandal.

Of course, this doesn't stop the conspiracy theorists from standing on street corners and talking out of the sides of their mouths, whispering that the fix is always in for *Noo Yawk*. Sensible, God-fearing citizens who otherwise accept that there was no gunman on the grassy knoll, and who laugh at the notion that the CIA murdered Princess Di, will nonetheless still assure you that the NBA fixed it to get Patrick Ewing into a Knick's uniform 22 years ago. Hey, you dummy, don't you know the commis-

Would the question of the quality of the friendship between Derek Jeter and Alex Rodriguez of the Yankees last week reached gossip levels since Brad Pitt and Angelina Jolie first caught canoodling — would they have even gotten off the ground if they had played for Houston or Seattle? I was in Tampa, the 1998 springtime home of the Bronx, last week. There were so many writ photographers chasing the Yankees that it looked like Academy Award night without the red carpet. And even counting the four or five Japanese media there waiting to report that Hideki Matsui had a played catch.

A16

NATIONAL POST THURSDAY, MARCH 1, 2007

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EDITORIALS

Caledonia, one year later

It has been a year since Aboriginal squatters occupied a 70-home, 40-acre subdivision near the small southwest Ontario town of Caledonia and halted the residential construction then in progress on the site. Since that time, nearly 70 charges have been laid, mostly against native protesters, for assault, vandalism, obstructing roadways, uttering threats and the attempted murder of an Ontario Provincial Police Officer. Yet despite numerous offers this week from federal, provincial and native negotiators, the dispute is no closer to being resolved today than it was when it began on Feb. 29, 2006. And it will not be resolved until officials from all three sides admit that the true source of the stalemate is a breakaway band of Mohawks from the nearby Six Nations reserve who recognize no authority over them — not federal, provincial nor even tribal — and who subscribe to a conspiratorial view of history that fuels their animosity and the violence that has erupted periodically in the past year. Until officials accept this politically incorrect truth and enforce court orders to remove the squatters from the Pongas Creek development, no resolution of the land claim is possible.

Federal Indian Affairs Minister Jim Prentice — whose department looks over negotiations with the squatters and the Six Nations' elected council last fall when Ontario threw up its hands at the chance of a settlement — admitted this week that Ottawa is facing "challenging" and perhaps even "intractable" issues over the longest-standing land claims in the country. He said "we'd be happy to be further toward completion" but predicted the "situation will go on for some time."

It's not hard to see why. Members of the breakaway Mohawk group behind the occupation have in best a dim grasp of the facts, coupled with unrealistic expectations of the settlement they might receive. In fact, when the squatters insisted the disputed land had never been transferred from the band to the Crown, Ottawa produced documents showing that indeed it had. To this, the squatters con-

tinued that the transfer had been meant as a lease, only minor than a surrender of title. But federal negotiators had notes of the 1944 transfer negotiation that showed clearly the Mohawks' ancestors meant to transfer title, and furthermore fully understood the difference between a lease and a lease of land. Now, the Mohawks are insisting all this is irrelevant, because their people's leaders at the time did not have the full backing of the community for the deal, so the transfer amounts to a theft of land perpetrated by the Crown and their own elders.

Those arrested for their role in the violence of last summer, the squatters refer to as "pact of war." They reject the authority of Canadian courts over them because they insist they never ceased to be a sovereign nation and they demand nation-to-nation talks with the federal government.

A group within the larger breakaway group this month even filed a \$72-million lawsuit against other native bands in the area alleging that they have aided in the white "genocide" of natives by helping Ottawa usurp the Mohawks' traditional legitimacy in the Grand River area of Ontario. "It's not only a legal ploy to describe the families facing negotiations."

Much of the stalemate, though, stems from the unwillingness of the three official sides to the dispute to enforce the rule of law. The squatters have no standing in law to demand anything. They have not been officially designated by the Six Nations council to represent it (although the council has timidly refused to assert its jurisdiction over the squatters' will). And there are at least three independent orders demanding they be removed from the subdivision.

If Ottawa, Ontario or the Mohawk council had removed the squatters last spring, it would have ended their financial support. By continuing to withhold the three delinquent deed-endorsers, the two parties to the dispute have fed the squatters' belief in their own distorted view of events. Until someone removes the squatters and calls a halt to negotiations, the people of Caledonia will have to live with this potentially volatile situation on their doorstep.

BRIAN MULRONEY

In the column "Don't Ignore this Scandal" by Warren Nusella (Feb. 1), some of the testimony of former prime minister Brian Mulroney in his libel action against the government of Canada in 1996 was quoted. The column did not contain the content of a note from the transcript where Mr. Mulroney said he had not had any dealings with Klaus Fuchs. The column did not report that Mr. Mulroney was answering a question about the purchase by the federal government of the Airbus product and stated that he had no dealings with Mr. Schreiber in that context. Elsewhere in the transcript, Mr. Mulroney testified about conversations and meetings he had with Schreiber after Mr. Mulroney was out of the prime minister's office. The National Post accurately reports any false impression it created about the testimony of Mr. Mulroney and apologizes to him for any embarrassment or concern it has caused.



Mario gets his moment

L. IAN McDONALD
in Montreal

Nowhere is the decline of André Bouchard, and the rise of Mario Dumont, more apparent than in the Quebec City region. There, the Parti Québécois (PQ) has fallen to third place in the province's election campaign, and Dumont's Action Démocratique du Québec (ADQ) is nibbling at the heels of Jean Charest's front-running Liberals. The PQ would do well to win the two seats they now hold in the provincial capital, while Dumont is vying for a seat in several more Quebec City ridings in addition to the one he already holds.

The Liberals held the other eight seats in the city and are putting a lot of effort into keeping them. Just yesterday, Charest was in town to announce a \$300-million modernization of the Hôtel-Dieu hospital. Just as Quebec is preparing for the 500th anniversary of its founding next year as "the cradle of French in North America," so Charest visits the hospital, founded in 1639, as "the cradle of medicine in North America."

Standing beside the Premier as he made this announcement was Philippe Couillard, the brain surgeon named health minister. Easily the most popular member of Charest's cabinet, Couillard stepped in anew from a safe Montreal seat in Jean Talon in Quebec City, the very heart of the provincial Liberal establishment along the Grande Allée. The thought of the most important member of Charest moving from Montreal to Quebec City is flustering to Quebecers, who

are always sensitive to slights from the much larger Montreal.

Quebec City is a town that still mourns the loss of the Montcalm to Colorado. As long as they were there, Quebec City was on the same tier as the Canadiens. Quebec was an NHL city, and belonged in the tandem.

The loss of the 2000 Canadian Winter Olympic bid to Vancouver is also still a sensitive subject in Quebec City. The city is trying to compensate by organizing major sporting and special events around its year-long 2006 celebration, and Charest may have some campaign-funding announcements that will help satisfy that goal.

All of which is to say it's important to track Quebec City as important in this

**DUMONT CAN'T TELL
HALLS, SO HE GOES
TO WHERE THE
VOTERS ARE
— AT THE MALL**

election campaign. Not for nothing he styled his campaign theme.

Thus, Charest requested that the March 10 leaders' debate be held at the legislature in Quebec City rather than at Radio Canada's main studios in Montreal. That did not pass unnoticed in a town where all eyes are truly local.

Quebec City is different from Montreal in another sense. As the heart of

Quebec province, it is much more conservative than Montreal on social and political issues.

It was in Quebec City where the Yes movement was stopped in the 1995 referendum. And it was in Quebec City and its south shore that Stephen Harper made his breakthrough in Quebec, winning eight of 10 seats in the 2006 election. (One of his winning candidates, Sylvain Gauthier, didn't have a campaign office, didn't have signs, and spent election night at another politician's headquarters. She is now parliamentary secretary to the Prime Minister, and consequently his floor-talks to Question Period every day.)

Harper achieved his breakthrough with some help on the ground from Dumont, whose organizational strength, such as it is, is in the 416 region in and around Quebec City that in the March 28 election approached, it will become apparent that Dumont's ground game is no match for Charest's big Red Machine. Dumont has been playing through his positive media coverage. But he has no money for a steady flow of his own while Charest has very deep pockets — an \$8-million war chest. Not does Dumont have the organization to fill halls, an bypost to where the voters are — at the mall.

But on election day, the voters will have to come to him.

A Leap Marketing produce-white poll on Monday had Charest moving out in a tight poll lead over Bouchard, 52-48, with Dumont at 23%, up three points from two weeks ago, all of it gained from the PQ. If such numbers turn up on election day — an unlikely but not impossible scenario — Dumont could finish second because Mulroney's small-town vote is more concentrated than Bouchard's diffuse province-wide support. The result would be a fundamental realignment of the Quebec political landscape.

National Post
 l.mcdonald@post.ns.ca
 L. Ian McDonald is author of *Policy Options*, the magazine of the Institute for Research on Public Policy.

New York state of mind

A lesson from Gotham:
Boo your bums when they play like bums

FRANK DEFORD
on Sports

It is a nice place to visit, but I wouldn't want to play there. And yet, no matter how many Americans move west and south to escape anti-union laws, New York City remains

ing bull, George Steinbrenner, as the sun-belt one within in town. This week's are spectator sports, too. Look at the New York Rangers: What they need better than the playoffs is a good scandal.

Of course, this doesn't stop the conspiracy theorists from standing on street corners and talking out of the sides of their mouths, whispering that the fix is always in for New York's Senators. How many politicians who otherwise accept that there is no gunnery on the grassy knoll, and who laugh at the notion that the CIA murdered Princess Di, will moralize about Steinbrenner that this

Would the question of the quality of the friendship between Derek Jeter and Alex Rodriguez of the Yankees, which last week reached gossip levels not seen since Brad Pitt and Angelina Jolie were first caught romancing — would that have even gotten off the ground if they played for Houston or Seattle or even the champion St. Louis Cardinals?

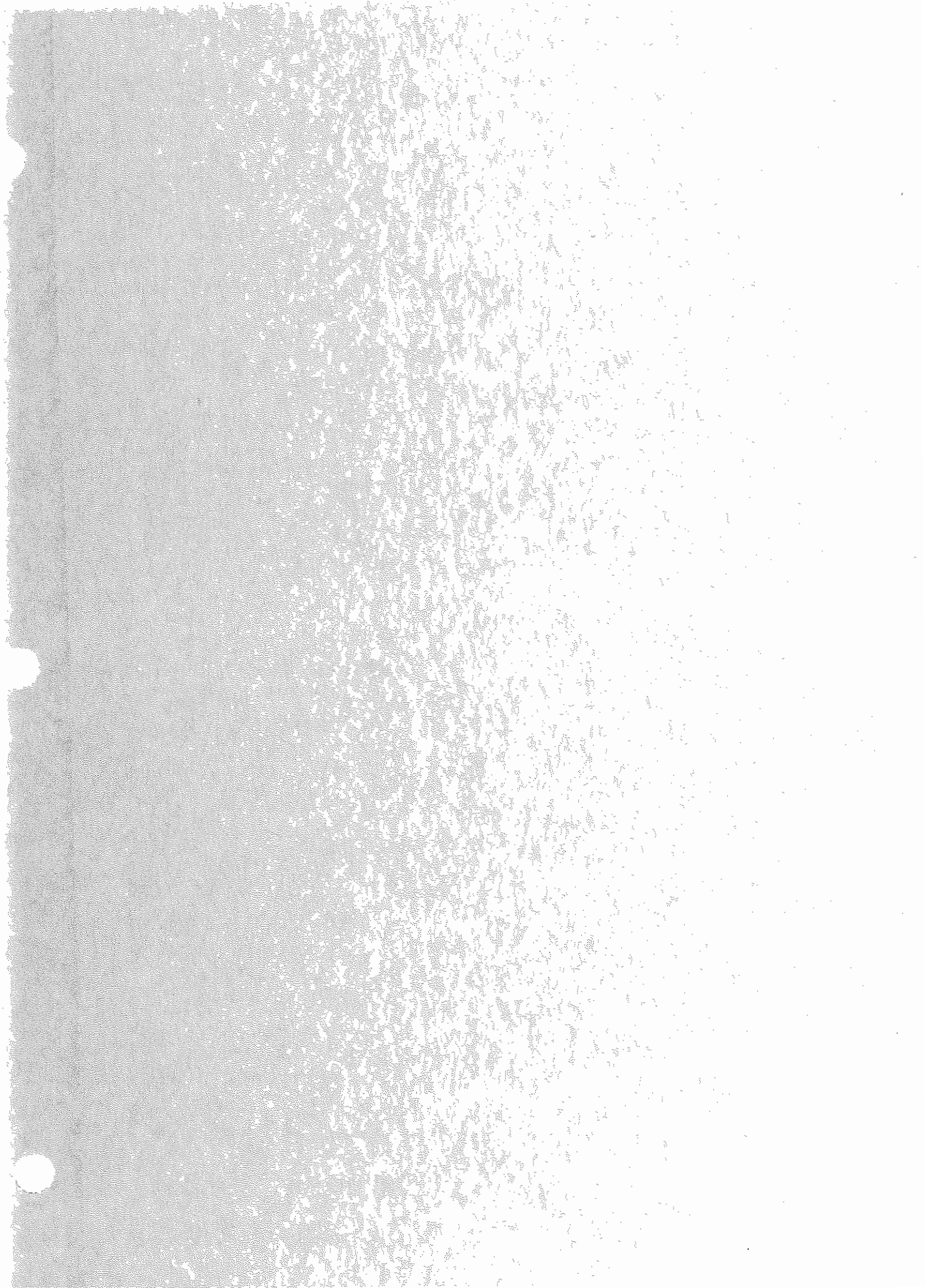
I was in Tampa, the road-show springtime home of the Bronx Zoo last week. There were so many writers and photographers chasing the Yankees it looked like Academy Awards night without the red carpet. And I'm not even counting the four or five dozen

you can take it anywhere. I think I've never been part of New York's special status in sports (it's with the fact that it's simply so big, and has so many teams, that it doesn't possess the false sense that its teams are elite treasure. Hey, Jeter fans, here's the gimmie: So what if the Giants are New York too? You don't have to treat your players with kid gloves just because your city's name is on their uniform chest. Have you even gotten off the ground for college sports, except to bet on them. It looks upon publicized athletes for what they're supposed to be — grown-ups.

This is very harding. A guy making big money screws up, his the home. Even if he is your own bum. Hey, at the Metropolitan Opera last December, New York's

Frank Deford is the senior contributor to *Sports Illustrated* and a regular commentator on *National Public Radio*, where this column originally was aired.





Court File No. 07-CV-329949PD3

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

KARLHEINZ SCHREIBER

Plaintiff

- and -

BRIAN MULRONEY

Defendant

AFFIDAVIT OF KARLHEINZ SCHREIBER

I, **KARLHEINZ SCHREIBER**, of the City of Toronto and of Ottawa in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the plaintiff in the above noted matter and have personal knowledge of the matters set out in this Affidavit, except to the extent such matters are based upon information and belief, in which case I have stated the source of my information and believe such matters to be true.
2. The first contact I had with Mr. Mulroney was in the early 1980's after I became a landed immigrant in Canada, which was on September 2, 1978. It was Mr. Frank Moores who introduced me to Mr. Mulroney.
3. I had several meetings with Mr. Mulroney at the Ritz Carleton hotel in Montreal all taking place before Mr. Mulroney became the leader of the Progressive Conservative party in 1983.

4. Needless to say during my many meetings with Mr. Mulroney in the early 1980's neither the cash payments made by me to Mr. Mulroney nor the agreement (the "Agreement") made between Mr. Mulroney and I, as referred to in the statement of claim, were discussed, or even contemplated at that time.
5. The Agreement giving rise to this action was not entered into until some 10 years after my first dealings with Mr. Mulroney.
6. My first official meeting with Mr. Mulroney was in late 1983 (when Mr. Mulroney had become the Leader of the Conservative Party and was the Leader of the Opposition) when I introduced Mr. Max Strauss to Mr. Mulroney. W
7. Having received very encouraging assistance from the Government of Canada in Ottawa and the Government of the Province of Nova Scotia in Halifax to bring a significant manufacturing plant to Cape Breton and in order to establish a corporate presence in Canada for Thyssen Industrie Aktiengesellschaft, one of the largest industrial concerns in Europe, Bear Head Industries Limited ("Bear Head Industries") was incorporated on November 6, 1985 with an office in Ottawa. Attached hereto as Exhibit "1" is a copy of my Bear Head Industries business card and a Province of Ontario, Ministry of Consumer and Business Services, corporate profile report for Bear Head Industries.
8. Finally, after considerable efforts, we managed to secure an agreement with the Province of Nova Scotia and an "Understanding in Principle" with the Government of Canada, which was signed September, 27, 1988 and which confirmed that the Government of Canada was interested in expanding the industrial development of Cape Breton and that Bear Head Industries was prepared to establish a heavy industry manufacturing facility for the production of light armoured defence products, to create at least 500 full time jobs and to commit an initial capital investment of \$58 Million and the transfer of significant

manufacturing know how by its parent company Thyssen Industrie Aktiengesellschaft (the "Bear Head Project").

9. The Understanding in Principle was signed by three Ministers of the Government of Canada and by me as Chairman of Bear Head Industries on September 27, 1988, a copy of which is attached hereto as Exhibit "2".
10. A year later I received a letter dated September 18, 1989 from Mr. Mulroney who by then had been Prime Minister of Canada for over 5 years, in which Mr. Mulroney confirmed not only that we had met on previous occasions, that we had been writing letters to one another, but also that he had sent a telegram to me back in 1982 when I received my Canadian citizenship, which telegram I received on or about February 3, 1982, a copy of which letter is attached hereto as Exhibit "3".
11. On one occasion Mr. Mulroney, The Honourable Elmer MacKay, at that time Minister of Public Works and Minister for the Atlantic Canada Opportunities Agency Act, and I met for a breakfast meeting at 24 Sussex Drive, Ottawa, Ontario.
12. On April 10, 1991, at a meeting arranged by Mr. Fred Doucet at the request of Mr. Mulroney, I had the pleasure of meeting Mr. Mulroney, Mr. Doucet and Mr. Paul Tellier, who at the time was the Clerk of the Privy Council, and who was also involved with the Bear Head Project.
13. Then on June 13, 1991 I met Mr. Mulroney in Bonn, Germany at a luncheon hosted by the Government of Germany in honor of Canada's role and in particular Mr. Mulroney's efforts in bringing about the reunification of Germany on October 3, 1990 and also at a reception that same evening hosted by the Government of Canada.

14. Almost a year later on May 22, 1992 I wrote another letter to Mr. Mulroney, a copy of which letter is attached hereto as Exhibit "4", which confirmed our ongoing efforts and certain meetings towards making the Bear Head Project a success and that at that time it was still my understanding that the Government of Canada was supportive of locating production facilities for light armoured vehicles in Nova Scotia and possibly even certain parts in Quebec.
15. On June 23, 1993 Mr. Doucet, at the request of Mr. Mulroney, arranged a meeting between me and Mr. Mulroney which took place on June 23, 1993, at Harrington Lake, the official summer residence of the Prime Minister (the "Harrington Lake Meeting"). It was at this meeting that Mr. Mulroney and I entered into the Agreement. On June 23, 1993 Mr. Mulroney was still in office as Prime Minister of Canada and consequently resided at 24 Sussex Drive, Ottawa, Ontario.
16. One of the terms of the Agreement which Mr. Mulroney and I agreed to on June 23, 1993 was that Mr. Mulroney would perform certain services on my behalf. Mr. Mulroney undertook to support my efforts in obtaining approval of the establishment of a production facility for light armoured vehicles by Bear Head Industries Limited, and we discussed that if matters got difficult in the Province of Nova Scotia, then Mr. Mulroney would assist in moving parts of the project to the Province of Quebec (the "Bear Head Quebec Project").
17. At the Harrington Lake Meeting Mr. Mulroney told me that in his opinion The Honorable Kim Campbell, would win a majority government in the next election, which would enable him (Mr. Mulroney) to accomplish much on my behalf.

18. During our meeting Mr. Mulroney, as a token of his appreciation of our friendship that had developed over the years, proudly promised that he would send to me a copy of his official picture which would be placed in the House of Commons. Shortly after the Harrington Lake Meeting I received, as promised by Mr. Mulroney, the picture with Mr. Mulroney's hand written note: "For my friend, Karlheinz with gratitude and best personal regards" and which he signed "Brian Mulroney". A copy of said picture is attached hereto as **Exhibit "5"**.
19. I then proceeded to make arrangements for certain cash funds to be paid to Mr. Mulroney as an advance for his services as had been agreed by us during the Harrington Lake Meeting.
20. I gave the first cash payment in the amount of \$100,000 to Mr. Mulroney on or about August 27, 1993 when I met Mr. Mulroney at the Mirabel Airport on my way from Ottawa to Germany.
21. I delivered a second cash payment, also in the amount of \$100,000, to Mr. Mulroney on or about December 18, 1993 when I met Mr. Mulroney at the Queen Elizabeth Hotel in Montreal.
22. Mr. Mulroney honored me again on the occasion of my sixtieth birthday when he sent to me a letter dated March 25th, 1994 in which he expressed his very good wishes and best personal regards, a copy of which letter is attached hereto as **Exhibit "6"**.
23. And finally some 18 months after the Harrington Lake Meeting I met with Mr. Mulroney on December 8, 1994 in New York at the Pierre Hotel and delivered to Mr. Mulroney a third cash payment also in the amount of \$100,000.
24. I made this third payment, even though, at the time that I made this third payment, it was clear that it was practically impossible for Mr. Mulroney to become involved in the Bear

Head Quebec Project (after Mr. Mulroney announced his retirement, The Honourable Kim Campbell, then Leader of the Conservative Party, became the Prime Minister of Canada and called an election in October 1993 but lost and The Right Honourable Jean Chrétien became Prime Minister on October 25, 1993) because Mr. Mulroney and I agreed that Mr. Mulroney would continue to be available to assist me in my other business endeavours.

25. In his testimony before the District Court of Montreal on April 17, 1996 Mr. Mulroney confirmed that he had not just had numerous meetings with me going back as early as the 1980's, including meetings in his office in Ottawa, but also that we had ongoing business dealings. Attached hereto as Exhibit "7" is a copy of parts of the transcript of the testimony of Mr. Mulroney (see Questions 192, 228, 241, 425 and 432).
26. In spite of all the difficulties that Mr. Mulroney and I encountered in 1995 and 1996 I did not lose confidence in Mr. Mulroney and was relieved when I received a letter from the Government of Canada dated January 9, 1997 signed by The Honourable Allan Rock, then Minister of Justice & Attorney General of Canada and Mr. Philip Murray, Commissioner, RCMP which contained a "full apology" and acknowledged that "some of the language contained in the Request of Assistance indicates, wrongly, that the RCMP had reached conclusions that you had engaged in criminal activity", a copy of which letter is attached hereto as Exhibit "8".
27. Then at the request of Mr. Mulroney I agreed to meet him on or about February 2, 1998 at the Hotel Savoy in Zürich, Switzerland (the "Savoy Meeting"). During the Savoy Meeting Mr. Mulroney and I discussed Mr. Mulroney's personal concerns regarding evidence of any payments made to him. I informed Mr. Mulroney about statements made by Mr. Frank Moores and Mr. Gary Ouelett regarding The Government Business Consulting Group Incorporated ("GCI") business affairs and the earlier request made by Mr. Fred Doucet to transfer funds from GCI to Mr. Mulroney's lawyer in Geneva related to the Airbus deal. The Ontario corporate profile report for GCI is attached as Exhibit "9".

28. During the Savoy Meeting Mr. Mulroney and I also discussed how we could move forward with various business matters in the future which included Mr. Mulroney's support of the business activities of Spaghetissimo North America Inc. ("Spaghetissimo") and the potential for Archer Daniels Midland Company to get involved in this new business venture. The Ontario corporate profile report for Spaghetissimo North America Inc. is attached as **Exhibit "10"**.
29. Several months before the Savoy Meeting my lawyer Mr. Robert Hladun, Q.C. to the best of his recollection had received a telephone message (the "Tremblay Message") to call Mr. Gerald Tremblay, a lawyer acting for Mr. Mulroney, on October 17, 1997 regarding a letter Mr. Tremblay wanted to send to the CBC in connection with the Airbus Affair.
30. Two years after the Tremblay Message (almost 20 months after the Savoy Meeting), Mr. Hladun to the best of his recollection received two calls from Mr. Mulroney on October 17, 1999 during which Mr. Mulroney repeated to Mr. Hladun a similar request as made on prior occasions all to the effect that I provide in an affidavit assurances that "at no time did Brian Mulroney solicit or receive compensation of any kind from Schreiber".
31. On January 10, 2000 Mr. Edward Greenspan, Q.C., my lawyer representing me in my extradition case, requested that Mr. Hladun confirm his recollection of the above mentioned calls in connection with this request from Mr. Mulroney. A copy of Mr. Hladun's responding letter to Mr. Greenspan's inquiry dated January 26, 2000 is attached hereto as **Exhibit "11"**.
32. Following our a meeting during Christmas 1999 with the family of Mr. Doucet during which I told Mr. Doucet that I would not commit perjury I met again with Mr. Doucet at his request in early 2000 in Ottawa. At that meeting, Mr. Doucet presented to me a draft

document that Mr. Mulroney requested I sign in order to confirm the terms of our Agreement. A draft of said document is attached hereto as **Exhibit "12"**.

33. On May 23, 2000 I met Mr. Mulroney at a black tie dinner function at the Royal York Hotel, Toronto (the "Royal York Meeting") hosted by the Canadian Council for International Business and asked Mr. Mulroney for a private meeting to discuss our business relations and Mr. Mulroney agreed that we should meet and promised to arrange a meeting after his return from Florida.
34. Not only did Mr. Mulroney and I have many meetings with one another, exchanged correspondence and telephone calls with one another, and attended fund raising dinners together, starting as early as 1985 and continuing until the Royal York Meeting, but as already mentioned we also had considerable dealings with one another through intermediaries before and after the Royal York Meeting.
35. Reto's Restaurant Systems International Inc. ("Reto's") was incorporated on June 26, 2001 with its head office in Toronto and another office in Ottawa. Reto's continued the business activities of Spaghetissimo and in late 2002 we were working on the opening of the first pasta franchise store under the trade mark "Reto and The Machine Bistro Bar" in Toronto. Attached hereto as **Exhibit "13"** is a copy of my Reto's business card and an Ontario corporate profile report for Reto's.
36. At this time I approached Mr. Mulroney to assist in obtaining private or government commitments towards the expansion of the Reto pasta manufacturing process and Reto pasta franchises (the "Reto Pasta Business") in Ontario and across Canada.
37. In a letter dated July 19, 2004 addressed to Mr. William Kaplan, author of two books about Mr. Mulroney, Mr. Pat MacAdam confirmed that after reviewing his correspondence and emails he found that I had "hired Mulroney to sell Bearhead armoured vehicles to

- China"... and that "Schreiber also engaged Mulroney to explore the sale of pasta machines...". A copy of this letter is attached hereto as **Exhibit "14"**.
38. At the special request of Mr. Mulroney I wrote a letter to him on July 20, 2006 suggesting to Mr. Mulroney that the public rhetoric regarding the sale of Airbus planes by Airbus Industries G.I.E. (the "Airbus Affair") and the conspiracy against me personally amounted to the largest political scandal in the history of Canada, and that Mr. Mulroney and I must expose the people behind the scandal around the Airbus Affair, a copy of which letter is attached hereto as **Exhibit "15"**.
39. I wrote the July 20, 2006 letter at the request of Mr. Mulroney because he told me that he was going to meet with The Right Honourable Stephen Harper, the current Prime Minister of Canada, by the end of July, 2006 at Harrington Lake, and that he (Mr. Mulroney) was going to show to Mr. Harper a copy of Exhibit 15 to show that he and I were on good terms.
40. There was no apparent follow up by Mr. Mulroney to my July 20, 2006 letter and therefore I wrote a letter on January 29, 2007 advising Mr. Mulroney that I was still counting on his support to engage the Government of Canada to commence a public inquiry into the Airbus Affair and how the Airbus Affair triggered my extradition case, a copy of which letter is attached hereto as **Exhibit "16"**.
41. Finally, on February 20, 2007, having realized that Mr. Mulroney no longer intended to fulfill his part of the Agreement (Mr. Mulroney had denied to meet with Mr. MacKay and Mr. Michael Cochrane to discuss the Reto Pasta Business and in particular the pasta obesity fighting program for children, which is described in the George Brown College Reto Pasta Demonstration Project (the "Reto Pasta Demonstration Project"), a copy of which is attached hereto as **Exhibit "17"**), I sent a letter to Mr. Mulroney dated February 20, 2007

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demanding the repayment of the cash payments totaling \$300,000 plus interest, a copy of which letter is attached hereto as **Exhibit "18"**.

42. Since Mr. Mulroney did not respond I instructed my lawyer Mr. Richard Anka, Q.C. to send a demand letter for the recovery of the moneys owing to me in the amount of \$300,000 plus interest. A copy of Mr. Anka's letter dated March 14, 2007 is attached hereto as **Exhibit "19"**.
43. The reply to this letter was written on March 20, 2007 by Mr. Kenneth Prehogan of Weir Foulds LLP, who confirmed that he represented Mr. Mulroney and that he had received a copy of Mr. Anka's letter and that Mr. Mulroney denied "that he owes any money to me" and that his firm had "instructions to accept service" of Mr. Anka's initiating process on Mr. Mulroney's behalf, a copy of which letter is attached hereto as **Exhibit "20"**.
44. Since Mr. Mulroney never provided the services as promised, nor did he return the \$300,000.00 and even though our Agreement contemplated that Mr. Mulroney provide certain services relating to the Bear Head Quebec Project and when it became clear that the Bear Head Quebec Project could not succeed Mr. Mulroney did not return the \$300,000.00 plus interest, but instead we agreed that Mr. Mulroney would perform other services in Ontario and elsewhere, all relating to companies and persons doing business and residing in Ontario, I instructed Mr. Anka to commence an action in Ontario.
45. Not only was the Agreement formed by two Ontario residents but I believe that the Agreement was breached by Mr. Mulroney in Ontario. Furthermore, I have suffered damages in Ontario as a result of Mulroney's failure to repay me.
46. The statement of claim was issued on March 22, 2007 and Mr. Anka sent a letter to Mr. Prehogan on March 22, 2007 enclosing two copies of the statement of claim as issued and filed with the court requesting that Mr. Prehogan endorse acceptance of service on the back

page and return one original to Mr. Anka at his earliest convenience, a copy of which letter is attached hereto as **Exhibit "21"**.

47. On March 26, 2007 Mr. Prehogan wrote a letter to Mr. Anka wherein he acknowledged receipt of the statement of claim, however Mr. Prehogan declined to accept service. Instead Mr. Prehogan confirmed that he will assist in arranging for personal service on Mr. Mulroney in Quebec, a copy of which letter is attached as **Exhibit "22"**.
48. As a courtesy to Mr. Mulroney I sent a personal reminder letter on April 14, 2007 to Mr. Mulroney, a copy of which letter is attached hereto as **Exhibit "23"**.
49. Nevertheless, not only had Mr. Prehogan resiled from his earlier agreement to accept service on behalf of Mr. Mulroney, but then once Mr. Mulroney was personally served on April 20, 2007 with the statement of claim, as amended, Mr. Prehogan filed a notice of motion to dismiss this action for lack of jurisdiction returnable on July 17, 2007 which he never set down for a hearing for reasons I have never clearly understood. It is my honest belief that Mr. Mulroney and his legal team have been engaged in delaying tactics in this action in the hope that I would be extradited to Germany and less able to pursue my action with any measure of dispatch or diligence.
50. I am informed by counsel, and believe, that the statute of limitations in the Province of Quebec is three (3) years. Depending on when a court finds my cause of action against Mr. Mulroney to have arisen, this has the potential to deprive me of my cause of action, if I am compelled to bring this action in the Province of Quebec instead of Ontario.

51. I swear this affidavit in relation to a Motion brought by Mr. Mulroney for an order dismissing this action for lack of jurisdiction and for no other or improper purpose.

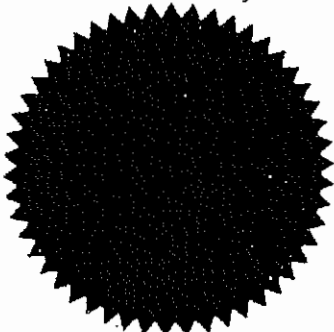
SWORN before me at the City)
of Toronto, in the Province of)
Ontario, this 7th day of November, 2007)

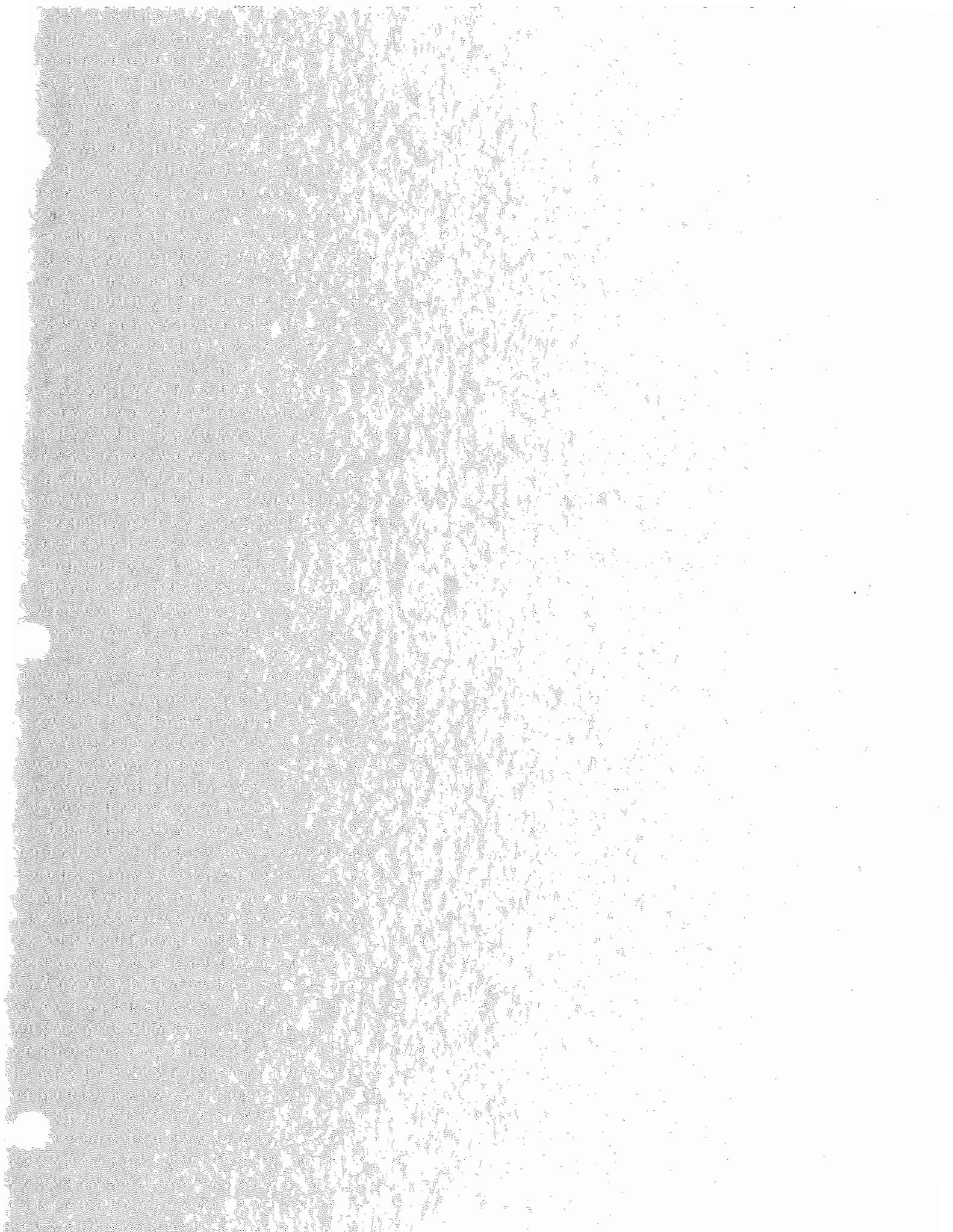
Albert Gerlach

Notary Public

Karlheinz Schreiber

Karlheinz Schreiber





KARLHEINZ SCHREIBER

7 BITTERN COURT, ROCKCLIFFE PARK
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Mr. Paul Szabo, M.P.
Chair, Standing Committee on Access to Information, Privacy and Ethics
Confederation Building
House of Commons
Room 175
Ottawa, Ontario K1A 0A6

Ottawa, March 3, 2008

**Subject: Testimony, Dec. 13, 2007 of the Right Honourable Brian Mulroney
Success - Fee related to the Bear Head Project**

Dear Mr. Szabo:

Please accept the following as part of my testimony in front of the Standing Committee on Access to Information and Ethics.

I believed that the Right Honourable Brian Mulroney would accept the invitation of the Ethics Committee to appear for a second testimony and tell the truth, after he had heard my testimony.

Unfortunately he preferred cowardly not to make himself available and send spokespeople to do his talking and to announce that he is now against a public inquiry.

This leaves me now with the responsibility to clear the air for Canadians and the Ethics Committee regarding the Thyssen Bear Head project as follows:

On September 17, 1984 Brian Mulroney became the Prime Minister of Canada.

On January 8, 1985, immediately after Mr. Mulroney was elected as Prime Minister, GCI Government Consultants International was incorporated.

During the year 1985 GCI obtained through IAL International Aircraft Leasing Liechtenstein consulting agreements with:

MBB Messerschmitt - Boelkow - Blohm GmbH, Munich, Germany
 ABI Airbus Industries Toulouse, France
 THI Thyssen Industrie AG Essen, Germany

On February 3, 1986 the Hon. Frank D. Moores opened the bank accounts concerning the GCI business at the bank Schweizerischer Bankverein Zuerich, Switzerland.

The business activities between the Canadian governments MBB, ABI, THI took place during the years 1986, 1987, 1988.

On September 27, 1988 Thyssen Bear Head Industries LTD signed an UNDERSTANDING IN PRINCIPLE with the Government of Canada.

On October 20, 1988 Thyssen Industrie AG paid \$ 2 Million success fee concerning the UNDERSTANDING IN PRINCIPLE to IAL, in trust for GCI (see corroborating document attached).

This \$2 million was divided amongst Mr. Mulronev and his friends as follows:

On November 2, 1988 GCI (Frank Moores) deposited \$ 500 000.00 to the Swiss bank account, Codename "Frankfurt" concerning the Thyssen Bear Head project and the Right Honourable Brian Mulronev. Mr. Mulronev would know that this money was marked for him (corroborating bank document attached).

On November 15, 1988:

- GCI received \$ 250 000.00 (corroborating document attached)
- FDCI, Fred Doucet received \$ 90 000.00 (corroborating document attached)
- Doucet & Associates, Gerald Doucet \$ 90 000.00 (corroborating document attached)
- Frank D. Moores received \$ 90 000.00 (corroborating document attached)
- LEMOINE CONSULTANTS INC, Gary Ouellet received \$ 90 000.00 (corroborating document attached)

On November 21, 1988 Brian Mulroney was re-elected as Prime Minister. It is notable how the money was distributed only days before the election.

Five years later, on June 23, 1993 during the meeting at Harrington Lake the Right Honourable Brian Mulroney, then the Prime Minister of Canada told me that he would be of great help to me in relation to the Thyssen Bear Head project especially with Kim Campbell as the next Prime Minister of Canada in office.

On July 12, 1993 (after the meeting with the Right Honourable Brian Mulroney, Prime Minister of Canada, at Harrington Lake) I advised the Swiss Bank in Zurich to open a new account with the codename BRITAN (Thyssen Bear Head project / Brian Mulroney) and to transfer \$ 500 000.00 from the Frankfurt account to the Britan account (corroborating bank document attached)

On July 26, 1993 the "Britan" account received \$ 500 000.00 (corroborating bank document attached).

On July 27, 1993 I withdraw \$ 100 000.00 in cash (corroborating bank document attached). On August 27, 1993 I paid \$ 100 000.00 in cash to Brian Mulroney at the Mirabel Airport Hotel concerning future services with respect to the Thyssen Bear Head project and the establishment of production facilities in Montreal. I provided similar payments to Brian Mulroney on December 18, 1993 at the Hotel Queen Elisabeth, Montreal and at the Hotel Pierre in New York on December 8, 1994.

During the testimony of Norman Spector in front of the Ethics Committee on February 5, 2008 I learnt for the first time that Brian Mulroney, then the Prime Minister of Canada "killed" the Thyssen Bear Head Project "on December 16, 1990."

During the testimony of the Hon. Elmer MacKay and Fred Doucet I had to recognize that Brian Mulroney had not even told them that he "killed" the Bear Head project.

Brian Mulroney, then the Prime Minister of Canada made all the people which were working on the project and the companies involved believe during the years from 1990 to the end of 1993 that the project was still alive and even attended meetings with government officials concerning the Thyssen Bear Head project.

The reason for this unbelievable betrayal, fraud and lies is Mr. Mulroney's enormous greed for money. Brian Mulroney knew that he would lose the \$ 500 000.00 if it would be known that he "killed" the project. This is why he continued to perpetrate the lies that he would work on the project. This also shows how his testimony that he did "international lobbying" for Thyssen is a complete fabrication.

The point to be learned from this chronology is \$500 000.00 sat dormant in a bank account for five years from November 1988 until July 1993. In July 1993, Mr. Mulroney concocted a way to have the money dispersed to him. The only reason that such a large

amount of money would sit dormant in the account is because it was for Mr. Mulroney. He knew it, his close GCI friends, Frank Moores and Gary Ouellet knew it and I knew it.

Since Brian Mulroney never provided any service for Thyssen Bear Head Industries or me I demanded the repayment of the funds.

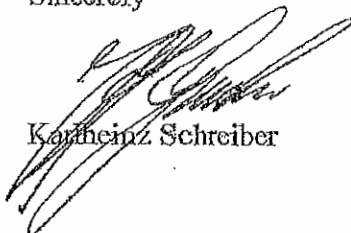
The AIRBUS business and the meeting with Brian Mulroney on Monday February 2, 1998 at the Hotel Savoy in Zuerich, Switzerland is a similar story with complexities only a Public Inquiry will uncover.

It is no surprise that Brian Mulroney and his friends, who are responsible for all my legal problems, do not want a Public Inquiry. They want to shut me up and get me out of Canada with the assistance of the RCMP and the Department of Justice of Canada.

Canadians have all the reasons to be shocked when they hear more about this scandal. Canadians will understand why I am asking for years to call a Public Inquiry.

My family and I had a wonderful life until I responded to the demands of the Right Honourable Brian Mulroney, his government and his friends.

Sincerely



Karlheinz Schreiber



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Montréal, le 2 février 2000

PAR TÉLÉCOPIE (283-6924)

Monsieur Jean-Louis Lussier
Agent
Divulgateur Volontaire
Agence des douanes et du revenu du Canada
Division des Appels
305 boul. René Lévesque ouest
Montréal (Québec)
H2Z 1A5

Objet: Divulgateur Volontaire
No. MTL-DV-1999-215

Cher Monsieur Lussier,

La présente constitue une entente entre le contribuable faisant l'objet de la divulgation volontaire ci-haut mentionnée et l'Agence des douanes et du revenu du Canada, (« l'Agence ») et le ministère du Revenu du Québec (« Revenu Québec). Les parties conviennent de ce qui suit :

1. La divulgation est considérée comme volontaire dans la mesure où aucune enquête n'a été initiée ou n'est présentement en cours de la part de l'Agence ou de Revenu Québec.
2. Il est entendu que les montants décrits dans ma lettre du 27 janvier 2000 impliquent des sommes de 75 000 \$ pour chacune des années d'imposition 1993, 1994 et 1995. Ces montants

MONTRÉAL

OTTAWA

QUÉBEC

TORONTO

VANCOUVER

LONDRES

SWABEY OGILVY RENAULT ; AGENTS DE BREVETS ET DE MARQUES DE COMMERCE, MONTRÉAL, OTTAWA, QUÉBEC, TORONTO

Taxis Babcock \\\NT00\OGILVY\MTL\283\VOL\UBER\Laforet\W\Tania\Laforet\LUSSIER Jean Louis\Divulgateur volontaire\Mr Jean Louis Lussier Feb 2000.doc 2-February-00 10:53

seront imposés au niveau fédéral et provincial de la façon suivante :

- (a) Le contribuable déposera une demande de déclaration amendée corrigeant les montants inscrits à ses déclarations de 1996, 1997 et 1998 pour ajouter pour chacune de ces années un montant de 37 500 \$. Ces montants seront cotisés avec intérêt;
 - (b) Aucune pénalité ne sera cotisée.
3. Le contribuable représente que cette divulgation est complète et qu'il n'est propriétaire d'aucun bien situé à l'étranger sauf, le cas échéant, les biens indiqués à ses déclarations de revenu.
 4. Le contribuable représente également que le payeur des sommes en cause est un non-résident et qu'aucune incidence fiscale canadienne n'a résulté ou ne résulte pour ce payeur. Le nom du payeur n'aura pas à être divulgué dans le cadre de cette divulgation.

Si cette entente est acceptable, nous vous prions de retourner dûment signé une copie des présentes. Le nom du contribuable vous sera divulgué au cours de la semaine prochaine.

Veillez agréer, cher Monsieur Lussier, l'expression de mes sentiments distingués.


Wilfrid Lefebvre, c.r.

Agence des Douanes et du Revenu du
Canada

Ministère du Revenu

Jean-Louis Lussier
Agent responsable des divulgations
volontaires

Yvon Tétrault
Enquêtes spéciales - Divulgations
Volontaires

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ORIGINAL TO FOLLOW BY MAIL

Le 27 JANVIER 2000

EXPÉDITEUR/FROM:
WILFRID LEFEBVRE
DIRECT 514-847-4440

DESTINATAIRE(S) / TO: ↓

JEAN LOUIS LUSSIER	REVENUE CANADA DIVISION DE APPELS	MONTRÉAL	283-6924
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MESSAGE: ↓

URGENT!

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Montréal, le 27 janvier 2000

Monsieur Jean-Louis Lussier
Agent
Divulgence Volontaire
Agence des douanes et du revenu du Canada
Division des Appels
305 boul. René Lévesque ouest
Montréal (Québec)
H2Z 1A5

Objet: Divulgence Volontaire
No. MTL-DV-1999-215

Cher Monsieur Lussier,

Je fais suite à notre rencontre de ce matin ainsi qu'à ma lettre du 10 janvier 2000. La présente est pour confirmer certains aspect de l'entente à intervenir avec l'Agence et de suggérer une marche à suivre.

Les parties conviennent de ce qui suit :

1. La divulgation sera considérée comme étant volontaire dans la mesure où aucune enquête n'a été initiée ou n'est présentement en cours de la part de l'Agence ou de Revenu Québec. Nous pouvons confirmer qu'aucune telle enquête ou vérification n'est présentement en cours.
2. Les montants impliqués sont de 75 000 \$ pour chacune des années d'imposition 1993, 1994 et 1995. Bien qu'une part

MONTRÉAL

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LONDRES

SWABEY OGILVY RENAULT : AGENTS DE BREVETS ET DE MARQUES DE COMMERCE, MONTRÉAL, OTTAWA, QUÉBEC, TORONTO

importante de ces montants a servi à rembourser des dépenses qui seraient admissibles, en déduction, en raison des difficultés de preuve qui surviendraient nous n'entendons pas réclamer lesdites dépenses.

3. Nous pouvons confirmer que le payeur desdites sommes est un non-résident et qu'aucune incidence fiscale canadienne n'a résulté ou ne résulte pour ce payeur. En raison de l'acceptation complète que ces montants soient traités à compte revenu, le nom du payeur ne serait pas divulgué.
4. Tel qu'indiqué dans ma lettre du 10 janvier dernier, il y aurait lieu de convenir d'une base d'imposition en respectant la politique de l'Agence et en tenant compte que les années d'imposition visées sont 1993 à 1995 inclusivement.

Je crois comprendre que vous allez informer la Directrice du bureau de Montréal de cette divulgation volontaire. Dans les circonstances, nous apprécierions rencontrer avec vous-même la Directrice. D'autre part, nous comprenons que les autorités fiscales de Revenu Québec ont déjà été informés de la situation.

Veillez agréer, cher Monsieur Lussier, l'expression de mes sentiments distingués.



Wilfrid Lefebvre, c.r.

WL/ts

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MESSAGE: ↓

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Montréal, le 10 janvier 2000

PAR TÉLÉCOPIE (283-6924)

Monsieur Jean-Louis Lussier
Agent
Divulgence Volontaire
Agence des douanes et du revenu du Canada
Division des Appels
305 boul. René Lévesque ouest
Montréal (Québec)
H2Z 1A5

Objet: Divulgence Volontaire
No. MTL-DV-1999-215

Cher Monsieur Lussier,

Je fais suite à notre rencontre du 5 janvier dernier au cours de laquelle je vous faisait part d'une divulgation volontaire.

Nous avons convenu de ce qui suit :

1. Le numéro ci-haut mentionné a été attribué à cette divulgation à compter du 5 janvier.
2. Une divulgation complète des montants impliqués (entre 150 000 \$ et 225 000 \$) sera faite avant le 5 mars prochain.

3. Nous conviendrons de la base d'imposition, en respectant la politique de l'Agence, dès que le détail des montants impliqués sera connu. Les années d'imposition 1994 à 1996 sont visées.

Tel qu'entendu, nous vous prions d'informer les autorités fiscales de Revenu Québec.

Veillez agréer, cher Monsieur Lussier, l'expression de mes sentiments distingués.



pour

Wilfrid Lefebvre, c.r.

WL/ts

DIVULGATION VOLONTAIRE

La divulgation volontaire n'est pas prévue comme telle dans la Loi, il s'agit d'une politique ministérielle dont les critères sont énoncés au Circulaire d'information 85-1R2 / 23 octobre 1992. L'autorité de renoncer aux pénalités est accordée en vertu de l'art. 220(3.1).

BUT

Le but est d'encourager un contribuable délinquant, tant individuel que corporatif, à régulariser sa situation fiscale, tout en évitant les mesures suivantes:

- a) pénalités prévues à l'article 162 (lorsque le contribuable n'a jamais produit);
- b) pénalités prévues à l'article 163;
- c) pénalités prévues à l'article 227;
- d) poursuites statutaires prévues à l'article 238;
- e) poursuites criminelles prévues à l'article 239;

N.B. Les pénalités pour production tardive, lorsque le contribuable a déjà produit, ne sont pas éliminées par la divulgation. On considèrera généralement que le contribuable n'a jamais produit lorsqu'il n'apparaît pas à notre système informatique central: avant 1987 pour un T1 et avant 1986 pour un T2.

GENRE DE DIVULGATION

Il n'y a aucune restriction quant au genre d'irrégularités que le contribuable désire corriger, par exemple:

- omission de produire une déclaration;
- omission de déclarer (de source canadienne ou étrangère):
 - toutes ou partie de ses ventes;
 - salaires, avantages imposables;
 - dividendes;
 - bonis, commissions;
 - revenus de placement;
 - pensions;
 - royautés;
 - tout autre revenu imposable;
- déduction de dépenses:
 - personnelles;
 - fausses ou fictives;
 - non admissibles.

La divulgation volontaire ne peut être invoquée par un contribuable pour se prévaloir d'un choix qu'il n'a pas exercé dans les délais prescrits ni pour réclamer un remboursement relativement à une année prescrite.

CORPORATION ET APPROPRIATION

Lorsque la restitution des appropriations fait partie de la divulgation, les montants ainsi restitués ne seront pas imposés entre les mains de l'actionnaire, si la divulgation remplit les conditions requises.

Cependant, si la divulgation ne remplit pas lesdites conditions, la totalité des montants est imposable à la fois pour la corporation et pour le particulier.

CONDITIONS

Il y a **trois** conditions essentielles pour qu'une divulgation soit acceptée comme volontaire:

- 1- volontaire;
- 2- vérifiable;
- 3- l'acquiescement de l'impôt.

Volontaire

Pour être volontaire, elle doit être amorcée par le contribuable et correspondre à un désir sincère de corriger sa situation fiscale.

Cela signifie que la divulgation ne doit pas être causée par une mesure prise par le ministère, **ni directement** en contactant le contribuable, son représentant ou un employé dans le but d'examiner ou de vérifier ses livres ou ses déclarations, **ni indirectement** en contactant des tiers pour les mêmes motifs.

Toute divulgation postérieure auxdites mesures ne pourra être considérée volontaire, à moins que le ministère puisse raisonnablement conclure que le contribuable ne pouvait pas être au courant qu'il avait commencé une vérification de ses affaires.

A titre d'exemple, lorsque des procédures pour faire produire un contribuable ont été entreprises et le contribuable avisé, on ne peut plus prétendre qu'une divulgation soit volontaire.

Vérifiable

La divulgation doit inclure toutes les informations et documentation nécessaires pour permettre une vérification des faits soumis; cela pourrait inclure des renseignements, informations ou documents que le contribuable n'est pas légalement tenu de conserver selon la L.I.R.

Acquittement de l'impôt

Le contribuable doit acquitter immédiatement et en entier l'impôt et les intérêts résultant de la divulgation.

Cependant, dans certaines circonstances où la situation financière du contribuable le justifie, une entente ou arrangement pourra être conclu, avec la section des Recouvrements du bureau de district concerné.

N.B. Il est évident que la protection de la divulgation volontaire ne protège d'aucune manière les montants non divulgués.

ANNÉES EN CAUSE

Il n'y a aucune restriction quant au nombre maximum d'années pour lesquelles nous pouvons accepter une divulgation volontaire bien que la circulaire n'en fait pas mention.

Cependant, sans restreindre d'aucune manière le nombre d'années pour lesquelles le ministère pourrait accepter une divulgation, les périodes suivantes pourraient être considérées comme raisonnables, pour fins de discussion:

SITUATIONS:

ANNÉES

1. NON PRODUCTEUR

Courante + 6

Si le revenu imposable est moins de 50,000.\$
pour les années non prescrites; à moins que
des revenus substantiels existent pour les
années antérieures.

Non prescrites

2. DÉCLARATIONS PRODUITES À DATE

Revenu non déclaré

Non prescrites

Plus:

S'il existe un capital inexpliqué, au début
de ladite période: 50% dudit capital
et ce, réparti également au cours des trois (3) dernières années.

N.B. Dans le cas de décès, le testament doit être fourni.

3. D.A.S. PARTIE I

- | | |
|-----------------------------------|--|
| A) Déduites - non remises, | Courante + 6
(D.A.S. + portions
de l'employeur
R.P.C. et A.C.) |
| B) Pas déduites | Courante + 2
(Portion employeur
et employé: R.P.C.
et A.C.) |

4. D.A.S. PARTIE XIII

- | | |
|----------------------------------|---------------------|
| A) Déduites - non remises | Courante + 6 |
| B) Pas déduites | Courante + 2 |

A l'occasion, des bilans personnels pourraient être requis afin de permettre au ministère de se faire une opinion sur la situation fiscale du contribuable.

FAÇON DE PROCÉDER

Le contribuable ou son représentant peut contacter le bureau de l'impôt le plus rapproché; généralement il s'agira du chef des Enquêtes spéciales puisque c'est cette section qui est responsable des divulgations.

Le contact peut se faire de différentes manières, à savoir:

- communication de renseignements par lettre;
- appel téléphonique;
- visite du contribuable et ou de son représentant au bureau de district.

Le premier contact peut se faire de façon anonyme afin de permettre au contribuable ou à son représentant d'exposer en détail sa situation et de vérifier si sa divulgation pourrait être acceptée; la date de la divulgation est celle du premier contact. Lorsqu'un contribuable expédie au centre fiscal des déclarations de revenu amendées totalisant plus de 25,000,\$ de changements, cesdites déclarations sont envoyées aux bureaux de district pour examen et les règles mentionnées au présent document s'appliquent.

Lorsque le contribuable présente une divulgation officiellement, elle est acheminée à la section de la Vérification afin d'examiner les faits soumis; généralement le vérificateur ne se limite pas auxdits faits et procède à une vérification complète des affaires du contribuable.

La vérification terminée, le vérificateur soumet les résultats aux Enquêtes spéciales. A ce moment seulement, la divulgation est acceptée ou refusée compte tenu des conditions mentionnées précédemment.

Le contribuable sera avisé de la décision du ministère lors de la conclusion de la vérification et ce, par le vérificateur au dossier.

Il est très important de noter qu'une déclaration ne peut rencontrer simultanément les critères d'une divulgation volontaire et du dossier équité; il faut que ce soit l'un ou l'autre.

**Préparé par
Daniel P. Bousquet, c.g.a.
Chef, Liaison et Développement
Enquêtes spéciales
Bureau de District de Montréal
Tél: (514) 283-5516**

Janvier 1995



Revenu Canada
Taxation

Revenu Canada
Impôt

INFORMATION CIRCULAR CIRCULAIRE D'INFORMATION

SUBJECT: VOLUNTARY DISCLOSURES

OBJET: DIVULGATIONS VOLONTAIRES

NO: 85-1R2

DATE: October 23, 1992

Nº: 85-1R2

DATE: le 23 octobre 1992

REFERENCE:

RENOI:

This circular revises and cancels Information Circular 85-1R, dated May 8, 1987.

La présente circulaire annule et remplace la Circulaire d'information 85-1R du 8 mai 1987.

Remarque : Dans cette publication, toutes les expressions désignant des personnes visent à la fois les hommes et les femmes.

1. To promote voluntary compliance with Canada's tax laws, the Department encourages taxpayers, both individuals and corporations, to come forward and correct deficiencies in their past tax affairs.

1. Afin d'encourager l'observation volontaire des lois fiscales du Canada, le Ministère incite les contribuables, soit les particuliers et les corporations, à prendre l'initiative de corriger leurs omissions fiscales.

Policy

Politique

2. If a taxpayer has never filed tax returns, and the returns are then voluntarily filed, the taxpayer will be required to pay only the tax owing on the reported incomes, with interest.

2. Lorsqu'un contribuable n'a jamais soumis de déclarations et que, par la suite, ces déclarations sont volontairement soumises, il sera uniquement tenu de régler l'impôt dû sur les revenus ainsi déclarés, de même que les intérêts.

If a taxpayer has given incomplete information in a return and subsequently submits the missing information, the taxpayer will be required to pay only the tax owing on the adjusted income, with interest.

Un contribuable qui a produit une déclaration incomplète et qui par la suite la complète sera uniquement tenu de régler l'impôt dû sur le revenu rajusté, de même que les intérêts.

No prosecution will be undertaken, nor will any civil penalties, including late filing penalties, be imposed, on any amounts included in such voluntary disclosures. The identity of anyone making a voluntary disclosure will be held in confidence, as is the case with all taxpayer information.

Aucune poursuite ne sera entamée et aucune pénalité civile ou pénalité pour production tardive ne sera imposée sur les montants inclus dans de telles divulgations volontaires. L'identité d'une personne qui fait une divulgation volontaire est tenue confidentielle, comme c'est le cas pour tous les renseignements fiscaux concernant les contribuables.

3. This policy applies to corporations and individuals making voluntary disclosures if the following conditions are met:

3. Cette politique s'applique aux divulgations volontaires faites par des corporations et des particuliers lorsque les conditions suivantes sont remplies :

a) **Voluntary disclosure** – The taxpayer has to initiate the voluntary disclosure. A disclosure is not considered to be voluntary if it arises when Revenue Canada, Taxation has begun audit or enforcement action.

a) **Divulgence volontaire** – Le contribuable doit amorcer la divulgation volontaire. Une divulgation n'est pas considérée comme volontaire si elle découle des mesures de vérification ou d'application prises par Revenu Canada, Impôt.

Canada

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b) **Verification** – Each voluntary disclosure should include enough details to allow the facts to be verified.

c) **Incomplete disclosure** – If a disclosure is voluntary but incomplete, the disclosed information will be considered voluntary. However, the taxpayer will be subject to penalties, prosecution, or both, relating to any substantial undisclosed amounts.

d) **Payment** – The taxpayer must pay the total amount of any taxes and interest owing, or make acceptable arrangements for paying such amounts.

e) **Procedure** – A person can make a voluntary disclosure by contacting Revenue Canada, Taxation. That person will not need to make a detailed submission at the first contact. However, the taxpayer must do so within a period of time that is mutually agreed upon. The initial contact will be considered to be the date of the voluntary disclosure.

b) **Vérification** – Les données fournies dans le cadre d'une divulgation volontaire doivent être suffisantes pour en permettre la vérification.

c) **Divulgation incomplète** – Lorsqu'une divulgation est volontaire mais incomplète, la divulgation des renseignements fournis sera considérée comme volontaire. Cependant, le contribuable sera soumis à des pénalités ou à des poursuites, ou aux deux, concernant tout montant non divulgué.

d) **Paiement** – Le contribuable doit acquitter le plein montant de l'impôt et des intérêts dus ou prendre des arrangements acceptables pour régler les sommes dues.

e) **Procédure** – Quiconque veut faire une divulgation volontaire peut communiquer avec Revenu Canada, Impôt. Il n'est pas nécessaire de soumettre un état détaillé des faits au moment du premier contact. Le contribuable doit cependant le faire à l'intérieur du délai convenu avec le Ministère. Le premier contact constituera la date de la divulgation volontaire.

