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Chair

Mr. Paul Szabo

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• (1110)

[English]

The Chair (Mr. Paul Szabo (Mississauga South, Lib.)): I call to order the sixth meeting of the Standing Committee on Access to Information, Privacy and Ethics.

I want to ask for silence in this room throughout the meeting. Any distractions or disruptions may interfere with the ability of the witnesses or the members to carefully hear what is said. We do not want to interfere with the flow of speaking, and I ask all in this room for their full cooperation.

In relation to our study—and I stress “study”—of the Mulroneys Airbus settlement, the committee passed the following motion:

That in order to examine whether there were violations of ethical and code-of-conduct standards by any office-holder, the Standing Committee on Access to Information, Privacy and Ethics review the matters relating to the Mulroneys Airbus settlement, including any and all new evidence, testimony, and information not available at the time of the settlement, including allegations relating to the Right Honourable Brian Mulroneys made by Mr. Karlheinz Schreiber, and in particular the handling of allegations by the present government or past governments, including the circulation of relevant correspondence in the Privy Council Office or Prime Minister's Office; also, that Mr. Karlheinz Schreiber be called to be a witness before the committee without delay, and that the committee report to the House its findings, conclusions, and recommendations thereon.

Appearing before us this morning is Mr. Karlheinz Schreiber, who is accompanied by his legal counsel, Mr. Richard Auger, who may advise his client but may not address the committee.

Good morning, gentlemen.

Mr. Schreiber, please be advised that you are still under oath.

Let me begin, Mr. Schreiber, by letting you know that we have received a very, very large number of faxes and e-mails from Canadians all across the country. They were expressing their disgust at the failure of the responsible policing authorities to ensure your personal dignity while being in handcuffs when led to your Ottawa residence to access your documents. This unacceptable incident was also exploited by some, as you know, who also subjected you to ridicule and mockery. This matter was internationally reported, and in our view, the committee's view, the shaming of one Canadian has shamed all Canadians.

The committee members sincerely regret that this indignity occurred, and we strongly—very strongly—encourage those who are responsible to take all necessary steps to ensure that such a spectacle will never happen again. It is not the Canadian way.

Mr. Schreiber, last Friday one of your legal representatives characterized the work of this committee as a political circus. Respectfully, I say to you and to your legal counsel that this is not a political circus. This is the Parliament of Canada, our system of government. We will be judged on the effectiveness of our work and not on tiresome, old rhetoric.

Our committee members are all honourable members of Parliament who have been elected to their positions under the electoral laws of Canada by the people of Canada. Through the authority delegated to us by the House of Commons under section 108 of the Standing Orders, we fully represent the interests and responsibilities of the Parliament of Canada.

We take these responsibilities very seriously. We treat all who appear before us with dignity and respect, and we expect to be treated with the same consideration. We defend and protect the principles of our Charter of Rights and Freedoms, and we conduct our business in full accordance with the rules of Parliament. Finally, we are guided by the practices, precedents, and conventions of the British parliamentary system of government.

Let no person question the legitimacy, authority, or resolve of this committee to effectively discharge our solemn responsibilities to the people of Canada in a firm but fair manner. We have a duty to respond to the significant public interest in the matter before us. We also have a duty to hear what the principals involved have to say, in their own words, without the dissection by lawyers who may only be motivated by the narrow interests of their own clients. Not everything is best heard through the filters of a judicial inquiry or before a court of law. This committee is all about promoting freedom of speech and about the readiness of those who come before us to be judged by public opinion for what they have said.

Mr. Schreiber, when you appeared before us last Thursday, the committee learned for the first time that, for whatever reason, you had not had access to your records and papers to prepare for your appearance, which had been specifically—specifically—stipulated in the Speaker's warrant. I was, however, aware that you were subject to extradition as early as Saturday, December 1. A stay in your extradition pending application for leave to appeal to the Supreme Court was granted by the courts last Friday. But had that not occurred, it was possible that you would have been extradited last Saturday, and you would not be before us today.

For that reason, I took the decision to proceed last Thursday and make whatever progress was possible, knowing full well that you might not be able to answer some detailed questions without consulting source documents. As chair, I take full responsibility for that decision. But in my view, adjourning the meeting at that time without trying to make some progress would not have been in the public interest.

The fact that the Speaker's warrant was not fully enforced caused me some serious concern. Accordingly, last Friday I wrote to the Sergeant-at-Arms asking him to provide me with a comprehensive accountability report so that we can learn what happened and why. The committee will consider the facts when that report is received.

For some time, Mr. Schreiber, you have publicly stated many, many times, including in your letter to Prime Minister Harper with many, many attachments, that you wanted an opportunity to tell your story regarding the Mulroney Airbus affair and to get the facts, as you know them, on the public record. Consequently, this committee has taken extraordinary measures, if not historic steps, to provide you with that opportunity, and now is the time to begin.

You gave us an opening statement at our meeting last Thursday. It is, however, likely that the questions that will be posed to you throughout your appearances may not cover all the areas or points you feel are important for us to understand. As such, I invite you now, or at any time, to come before this committee to make any further detailed statements that you feel are relevant and germane to the matter before us.

Do you have an opening statement to make to us today?

• (1115)

Mr. Karlheinz Schreiber (As an Individual): Yes, I do.

The Chair: Mr. Schreiber, I'm going to give you the time you require to speak to the people of Canada.

Please proceed.

Mr. Karlheinz Schreiber: First of all, Mr. Chair, I have to tell you that I am deeply impressed and touched by your words. I thank you for that, and all the members of the committee. I would like to say good morning to everybody.

I think, as you pointed out, that this committee may have great importance to each and every Canadian, and that all of you one day may be very proud that you have been with it. Because I believe very much, from the bottom of my heart, that this will be a historic committee. Of course, I think your aim to lead this to a further full public inquiry is the way to go, because we all understand that the committee has not the tools to do what an inquiry can do. So let's try to do our best to satisfy this committee and Canadians.

All Canadians, in my opinion, should watch the proceedings of this committee very carefully, because you cannot fight wrongdoing by running away, and the value of a country is decided by the citizens exactly by the value they put to their country.

My problem, Mr. Chairman and members of the committee, is that I never ran away in my whole life, and I believe that I am a pretty good Canadian.

I have a little problem this morning. Maybe it's all the detention and all that's happened to me, and I have this all written down here as notes for myself. I am a great-grandpa. I have two children, six grandchildren, a great-grandchild, and they didn't like seeing their grandpa in the position you described, so I have a little emotional problem this morning, and I want to apologize for that.

On Friday we had this court appearance, and I don't know whether you know this, but to my great surprise, after nine years the crown for the first time consented to my bail. I know that this committee probably has protected me, as a boss from the detention centre in Ottawa did when the RCMP tried to kidnap me. So I'm grateful. I've asked for years for this inquiry, so I want you to know—and especially you, Mr. Pat Martin—that for me it was torture. Here you are, you fight like hell, especially you, to bring me to my home and make sure everything is properly done, and then I don't answer your questions. This is why I came earlier, especially to apologize to you, as I do to all the members of the committee, and especially to the chairman. I regret deeply that Mr. Thibault cannot be here today after the questions he had for me, though I understand he is shovelling snow. I think he will regret that he couldn't be here, and I feel sorry for him.

I don't want to take too long with my opening remarks, but I would like to lead your attention to two groups of people, the people from the detention centres in Toronto and in Ottawa. At the detention centre in Ottawa the people know me, because I've come for nine years, from time to time. They protected me against this illegal event, and we are going to go after this pretty soon. The other one is the superintendent at the detention centre here, who made it possible to prepare everything I wanted to bring to you today.

They are great guys. I have to say this.

• (1120)

The funny part—and you may laugh about this—is that in Ottawa the people are friendly, but in Toronto it was somehow outstanding. The inmates got to know from television who I am. These guys—I mean, there were all kinds of criminals, whatever they are, young people, older people—when they learned what happened, they said, “Schreiber, don't you worry. You have 25 bodyguards here on this range. Nobody is going to take you out from here.” I found this outstanding.

So in other words, quite a few people tried to protect me.

I would now like to come right away to what I have prepared for today. I think I would like to start with perhaps the most important thing in the whole case.

What is this all about? It's all about what happened with the government under Mr. Mulroney, what the arrangements were for some kinds of money, or whatever it is. But whatever you touch there deals with a project, and that was, for example, what they had in the letter of request. It deals with Airbus, it deals with the Bear Head project, and it deals with the helicopters for the coast guard. In other words, wherever money is involved, it has to come from somewhere, and in business it comes from projects. We would like to hear more about this today and on other occasions.

So let me show you something that is not known so far. I brought some documents that I think are the key documents in the whole affair.

Let's start, first of all, with the most spectacular thing, the Airbus affair, which gives a name to the whole thing. The whole event around Airbus, and this has to be known by the committee, was an international war between Europe—the European countries, most of them shareholders in Airbus Industrie—and the United States. You have seen in the media what attention and importance the American government gave that whole situation when Airbus tried to get business on the North American continent. Though I must not go into this at the moment, when you have questions later I am prepared to speak about the Americans involved—the FBI, the CIA, everybody.

Anyhow, the problem with Airbus was that in those days—and it's important for you to know this—Airbus could not fly across the Atlantic or across water. The planes had only two engines, and with two engines you were only allowed to go up to 90 kilometres or miles away from shore. So Airbus, to survive, needed business where aircraft could fly over soil. There's only one place. A huge country with a lot of aircraft is North America. So that's the United States, mainly. Canada was more or less used as a Trojan horse to break into that situation. That showed, from a European point of view, that there is a monopoly, held by the United States, in orbit. There is a monopoly, held by the United States, in the military sky. Another total monopoly in the civil sky would have been totally unacceptable for the Europeans, and especially for the American airlines.

I am not criticizing the United States or their companies because they held this position. They have to look out for their interests, and that's fine with me. But the Europeans had to look after their interests.

• (1125)

Involved in that whole attempt to come to the North American market was Mr. Franz Josef Strauss. Franz Josef Strauss was the chairman of the Christian Social Union, and he also was the premier of Bavaria and the chairman of MBB, Messerschmitt-Bölkow-Blohm. Messerschmitt-Bölkow-Blohm was the company that held the shareholdings at Airbus Industrie, so we have a double function here.

The other gentleman heavily involved in this was François Mitterrand, the French President, who had the same interest as Mr. Strauss. It was, by the way, a remarkable friendship. Mr. Strauss was such a strong conservative and François Mitterrand was a strong socialist, as we know, but they had a perfect understanding on this matter. As far as I know, it was Monsieur Mitterrand who visited Mr. Mulroney when he was here on a visit and spoke with him about the Airbus problems.

So having said that, this is the political side of the whole thing.

Now let me bring you back to the late seventies, early eighties, when I came to Canada. I mean, I did not come to Canada the first time.... I was out west most of the time, but I came to Montreal and to the eastern part of Canada. I was invited to come here by a gentleman whose name was Walter Wolf. Walter Wolf was an

entrepreneur in the oil business and with scuba divers on offshore oil rigs. He was very close to Michel Cogger, who later on was a senator. Both claimed they were very close friends to Mr. Mulroney, who we are going to meet.

First of all, we meet the president of the Progressive Conservative Party, who is Mr. Frank Moores. Mr. Frank Moores had just left his job as the Premier of Newfoundland and was trying to get enough funds and was trying to get Mr. Mulroney to become Prime Minister of Canada, with quite a few people around. So this was the first time I met with him.

I'll try to make this story short so that you understand where I'm coming from and why I'm saying this. Because now money is required, the leadership convention is coming up, and what can I do? So my question was, of course, fine, the conservatives from Bavaria have had many people, many conservative parties, also others for political reasons, and I was the one quite often who brought the money for elections or support. I said, well, I am prepared to help, but what is it all about? Well, when Brian Mulroney becomes the Prime Minister, we will have a different country; we will have a different attitude to business. You see, he is a businessman, he is with Iron Ore, he's a lawyer, and he really understands.

I met with Mr. Mulroney at the Ritz Carlton in Montreal. His office was across the street. He was a very charming and, at that time, a pretty heavy-drinking gentleman. So we had a pretty good understanding.

Mr. Moores then explained to me that all these people who were around, of course, were looking out for their own interests as well. One wanted to become a minister; the other one wanted to become a member of his staff at the PMO, like Michel Cogger, or others to become ministers, like Coates, or whatever. Anyway, I asked him about his job. He has incorporated or will incorporate a company with the name Alta Nova, which is a lobbying company. He explained to me, you can imagine when that company is in place and we have all our friends there. Really, they can help do business—create jobs, do business, and make money. Yes, that made sense to me.

I said, and how is this going to work? He said, we'll do this, and I am convinced this will go fine. I said to him, what is Mr. Mulroney's position in this? Well, he said, when he is not Prime Minister anymore, he will join us later on, because he has to live on something anyhow.

That was just so you understand the basis of the whole thing. So now you know the Joe Clark thing happened. Money was needed, and great surprise, Wardair brought the delegates from Montreal to Winnipeg. Got a lot of laughs on that.

• (1130)

Finally, the company GCI, Government Consultants International, was involved.

Now I'll take the liberty to read something to you that makes it much easier for me. The first letter I'm going to read to you is from February 3, 1988, and the letter is from GCI, which is Government Consultants International, to Dr. Franz Josef Strauss, Minister President, Chairman of the Christian-Social Union, Bayerische Staatskanzlei, Prinzregentenstrasse 7, 8000 München 22, Federal Republic of Germany:

Dear Dr. Strauss:

Further to my letter to you of June 5, 1986,

—I don't have that letter, I never saw it—

I would like to bring to your attention a situation that has developed regarding the sales of aircraft to Air Canada.

As you are aware, the sale of Airbus aircraft to Wardair was successful and proceeded virtually as we suggested in the letter to you.

The problem that seems to have arisen now is that the German partners in Airbus, contrary to their other partners, have turned down a request for the deficiency guarantee for the potential sale of 33 aircraft to Air Canada. This has created problems that go beyond just the deficiency guarantee itself, in that Canadian interests are aware that these guarantees have been provided for countries all over the world and would feel strongly that they would expect equal treatment. Furthermore, in the case of Air Canada, which is guaranteed by the Canadian government, the deficiency guarantee is in fact a mere formality.

I believe the sale of the A320 to Air Canada would be of much greater significance than just the number of planes involved. First, I believe that the competition will be forced to order Airbus aircraft if they are going to be competitive against Air Canada. Second, as the Canadian national airline with landing rights worldwide, it will show that another North American airline has total confidence in Airbus. Third, and probably the most important, any additional equipment required by Air Canada and others will undoubtedly have to come from Airbus because of the commonality of cockpits and other technology of which we are aware.

I understand that Aerospatiale, who is the partner responsible for the Canadian development of Airbus, has virtually reached an agreement with Canadair of Montreal for the development of equipment for Airbus - an agreement which is not only satisfactory to both parties but has been very welcomed by the government of Canada.

Anything you can do to assist in resolving the above problem, I know would be appreciated by all concerned. In the meantime, best personal regards to you and your family,

Yours sincerely,

Frank D. Moores

The answer—

● (1135)

The Chair: Excuse me, Mr. Schreiber. We will require copies. The translators and the transcript would not be able to have all of those names and companies. So we would like to have, not the originals, but copies of any documents you feel are helpful to our records.

Mr. Karlheinz Schreiber: Mr. Chairman, it's all prepared for you today.

The Chair: Thank you kindly.

Please proceed.

Mr. Karlheinz Schreiber: This is from Dr. Franz Josef Strauss, dated March 29, 1988.

Dear Mr. Moores:

Thank you for your letter of February 3rd, 1988, in which you address the issue of an Airbus Industrie deficiency guarantee to support the financing of a potential A320 sale to Air Canada.

As to the information received from Deutsche Airbus GmbH, the German partner in the Airbus programme, the discussions between Airbus Industrie and Air

Canada with regard to financing have well progressed, but have not yet advanced to a stage, where Airbus Industrie has asked their shareholders for formal approval for an Airbus Industrie manufacturer's guarantee. So in fact your information that the German partner "has turned down a request" may be based on some misunderstanding.

As I have been further informed, financing discussions between Airbus Industrie and Air Canada now are concentrating on a limited residual value guarantee to be granted in addition to export credits. This indeed seems to confirm worthiness of Air Canada by a deficiency guarantee which normally is used to support sales to weaker countries.

Please be assured that there is no reason to put doubt on the preparedness of the German partner to support any Airbus sale to Air Canada in the same way as the other Airbus partners.

Yours sincerely,

Franz Josef Strauss

This is a copy.

So that's number one. I think it makes it very clear, contrary to what we have heard so far and know so far, that this is the relationship between GCI and Airbus.

Now I can read you a letter from GCI to me in January 9, 1991.

Dear Karlheinz:

Please find enclosed the original document received from court, figures obtained from government regarding expenditures to MBB. Some calculations I have made, by definition, have to be approximate.

Best regards,

Frank Moores.

That meant the coast guard helicopters, but MBB in Munich had nothing directly to do with that. It was a Canadian company in Fort Erie. But in order to get sufficient funds from MBB to Frank Moores for other business, they needed the project. This may sound somehow strange to you, but the minister of revenue from Bavaria is always the chairman of MBB, Messerschmitt-Bölkow-Blohm, because they are the major shareholders.

So exactly this minister and his ministry allowed all the so-called helpful donations for projects. This was much more a matter to satisfy the German minister of finance from MBB's side to deduct the expenditure to GCI than a matter of bribing somebody—seeing it as a mere matter with the Germans.

I also give you this document, with all the hand-written calculations from Frank Moores. There is also a commission breakdown from MBB towards GCI coast guard.

All these documents are known, by the way, by the German government. So I'm ready to give them to you.

● (1140)

The Chair: I hear some rumbling from the members. They'll want to see these things. The members will know that we adopted a concurrence that all documents provided to the committee would be circulated immediately to all members, they would be translated as soon as possible, and then again circulated with the translation. You will have these shortly, as soon as we can get them, so you will not have to rely on your notes for questions.

I apologize for the interruption.

Mr. Karlheinz Schreiber: Oh no, it's fine with me. I'm easy maintenance.

The Chair: Please take your time. We have some translators back there. When I see smoke rising from the translation booth, I know we're going a little too fast.

Please proceed.

Mr. Karlheinz Schreiber: I'm easy maintenance, Mr. Chairman.

I have here a letter from GCI to Mr. Winfried Haastert from August 6, 1986:

Dear Mr. Haastert:

Re: Proposed Manufacturing Facility at Bear Head Nova Scotia

Some considerable time has passed since your first visit to Canada to investigate the potential of investing here. I feel that it is useful to provide you with a brief summary of the efforts towards this project to date so that we may recognize the remaining priorities to bring the proposed facility into reality.

Please find the attached memo.

So that is the main project where I came in, and this was on a request from the Canadian government, through the Canadian embassy, asking to create jobs and bring business to Nova Scotia, to the Strait of Canso, where the heavy water plant was. The gulf refinery had been shut down. It was the constituency of Allan MacEachen at the time. Then Mr. Mulroney had made this remarkable speech to the Nova Scotians: "I have three things for you: jobs, jobs, and jobs."

To create jobs and to keep jobs is my life job. It's all I've done. I don't understand anything else. But jobs mean business, and business means industrial contracts. Industrial contracts mean you have to obtain them somewhere. That is the basis for jobs, for income, for taxes, whatever. And there, Mr. Chairman, you have a fantastic family. You have the politicians from the constituency, you have some from the government, you have the unions, and you have the entrepreneurs—in one boat, because they all want the same thing. I'm convinced that each of you faces the same problem in your constituency: jobs, to make sure we have jobs, and income, and happy families.

I love that job. So I said, "Yes, I am going to do it." If you would give it to me tomorrow again, even with my 74 years, I would be on a plane and I would do it. It was the most exciting job of my life.

Peacekeeping equipment and environmental protection, under the label of the maple leaf of Canada—show me a better export product in this world. I can tell you that the Canadian soldiers and the Canadian generals worked with me like hell, and Thyssen spent money on and on, and we designed the most sophisticated equipment quietly with them. And then I had to recognize—forgive me what I am saying—that the government did not care a shit about the security of our soldiers. This is where my war started and this is why I have made quite a few substantial enemies. But I tell you, I'm proud that they are my enemies, because if they were my friends, I would be one of the lousiest Canadians you could ever think about. But we'll come to that one day.

I don't want to read all this stuff to you. It shows what happened with this whole agreement. This is the whole report, and it shows you also a very interesting program. The program was done for Mr. Frank Moores and his wife. It was on the 30th, 31st of January, 1988. Mr. Karlheinz Schreiber and his wife, Mr. Max Strauss, and we also had the privilege to have with us Dr. Sami Jadallah, Sheikh Mohammed Hussein and Prince Sultan, the crown prince from Saudi

Arabia, who finally was stupid enough to pay \$200 million more for armoured cars than they were supposed to.

In the meantime, everybody laughs about it in Germany, because the Supreme Court confirmed there was no fraud under the Saudis' table and they made an overpayment, which was directed, under their direction, to those people who supported the policy of the Saudis during the Gulf War and later on.

If one would have two minutes—

● (1145)

The Chair: Thank you, Mr. Schreiber.

Mr. Tilson, could you state the nature of your point of order?

Mr. David Tilson (Dufferin—Caledon, CPC): Yes, Mr. Chairman. You have offered for Mr. Schreiber to make a statement. He appears to be going on for some time. This meeting has been going for a little over three-quarters of an hour.

My question to you on this point of order, sir, is are you telling Mr. Schreiber that he can read letters for the rest of the meeting, or are you putting a time limit on his statement, as we do with other witnesses?

The Chair: Mr. Tilson, that is not a point of order, but I respect the intent of what you raise.

As I indicated in my opening remarks, we could ask questions all day long and not paint the picture that Mr. Schreiber is painting for us now. I think it is in the public interest, in the interest of all interested parties, all stakeholders, that he continue as long as he's not repeating himself and as long as he's offering us documents. I think that is in the public interest. I'm going to let him continue.

Mr. Schreiber, the honourable member is anxious to participate here as well, so I'm sure we'll be as crisp as we can. But please, take the time to put what you believe is germane to the matter before us so that we can understand exactly what your story is.

Mr. Karlheinz Schreiber: Thank you, Mr. Chairman, because this is the basis of everything you are asking, and I can satisfy the honourable member over there. I told you of the three projects—Airbus, Thyssen Bear Head, and the helicopters—and this is the last one I have to show. So I hope you are satisfied, sir.

Now I would like to turn to another thing to get this out of my hair. Last time, you saw that I was really surprised when you read the figures of all the donations that I or my companies gave to Canadian parties. I have to tell you again that I had not the smallest clue what you were talking about. When I then saw this press article, I somehow got an understanding of what it was, because you talk about, for example, my company, Thyssen Bear Head Industries.

Let me tell you that the secretary of that company is Monsieur Edmond Chiasson, a Liberal. He is a lawyer. He was with the Doucets in Halifax. His wife was the campaign manager for Mr. Chrétien in Nova Scotia. And he had these shares from Bear Head Industries, because I had this only in trust for Thyssen.

So in the normal administrative business, I was not involved. I had meetings.

We have a key witness for all this, Mr. Greg Alford. He's in Toronto today. Mr. Greg Alford was a senior vice-president, and he handled all the donations, fundraising dinners, and whatever it was. I know that in the meantime he had cut the cheque for the Liberals in 1993 in the amount of \$10,000 from Thyssen Bear Head Industries—just to make that correction.

Mr. Alford is a very interesting person. He used to be vice-president and, for a while, president of GCI—Frank Moores—and Mr. Moores was more or less like his godfather, because Mr. Alford's father passed away and Mr. Moores had some property dealings with him in Chaffey's Locks. But Mr. Alford later on was also the gentleman who incorporated Spaghetissimo North America Inc., which is a pasta company. Later on, he became the president of Reto's Restaurant Systems International Inc. In other words, Mr. Alford can really answer a lot of questions for the committee from GCI, Bear Head Industries, Spaghetissimo, and Reto's. He can tell you, for example, exactly who was involved in the pasta business and who was not.

But now, since I looked at this, I found something else very remarkable, and I thought this looked so familiar to me, that it is in Germany. In Germany I had to hand over, under this Saudi program, \$1 million to the treasurer of the Christlich-Soziale Union, and to my great surprise when this all came up one day, this \$1 million had disappeared. So the chartered accountant and a couple of other people just stole the money.

The same happened with another donation, to Dr. Schäuble, who is now the minister of interior affairs. The money has simply disappeared.

So why am I saying this? There is money missing. In 1993, \$30,000 that I donated to the Progressive Conservative Party...it's not on your own list, and it's not on this list. I gave it in cash to the brother of Mr. Jean Charest for his leadership convention.

So far—

• (1150)

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): You said the brother of Monsieur Charest. Is that Jean Charest?

Mr. Karlheinz Schreiber: I meant Jean Charest, yes. It was for the leadership convention. I was there when he was defeated by Kim Campbell.

Ms. Carole Lavallée: Thank you.

Mr. Karlheinz Schreiber: I thought of what happened and what the basis was for something like this, and I wanted to correct this so we would have an understanding about the payments. I know of any other payments.

Then I had prepared.... And I'll tell you, in the eight weeks in a detention centre, somehow I must have had some blackouts too. I didn't even know how much material I had already prepared as a basis for something like this coming. So I have here for you all that we have put up for you, and let me tell you what it is.

This is my correspondence with Mr. Mulroney. It is ready for you. Here it is.

Some hon. members: Hear, hear!

• (1155)

The Chair: Order.

Mr. Karlheinz Schreiber: Gentlemen, I enjoy that you have some humour and that you laugh with me, because the big laugh is that I wanted this to come out. This is why somebody wanted to kidnap me and kick me out of the country, and you stopped that. So what the hell did you expect I would do today with you?

Here is all the correspondence with Mr. Harper. Here you go.

When I sent these letters to Mr. Harper, I attached these two volumes so he would have the chance to read everything that had gone on in this country since 1995 and earlier. Now you tell me I'm not cooperating with the Canadian government? Don't make me laugh. Here, it's up to you.

The next thing is my affidavit. You have that. If not, I give it you with all the exhibits. Here we go.

Then I brought for you—you knew it would come, come on—my last letter to the Honourable Stephen Harper, referring to the “Political Justice Scandal, Abuse of Public Trust, Germany's Breach of International Law“. Here is my letter to the Prime Minister, with all the attachments, for you.

Now I'm somehow feeling like a beggar. I am empty for the moment, because I don't know whether this is a Christmas gift for all of you and for Canadians or whether it's a burden. But for sure, it will help you prepare the right and perhaps special questions besides all that I have given you, which is the basis of this.

There is no other miracle with lawyers' agreements or anything about this. When I spoke the last time about all these documents, I thought, Jesus, I have three lawyers in Canada, three lawyers in Switzerland, and three lawyers in Germany. Everything is somehow related to this, but it would mean nothing to you. This is stuff that is with the courts and with the Germans also.

What you got today is the basis, and if you are not satisfied or you find something or want something, just let me know, and then I'm going to dig for it, and hopefully I can find it. I hope this is satisfying for you.

Thank you.

Excuse me, Mr. Chairman, one thing is left. About the questions you had the last time, if you want, I can go through each question. I have put each answer to it. Or if you want to have it another day, I have it. It's up to you.

The Chair: First of all, Mr. Schreiber, I want to thank you for being forthright and for providing the committee, Canadians, with this information on a cooperative basis. You volunteered to be before us, although we had to use certain other documents. We understand that you wanted to tell your story, and you've proved it. It's a wonderful Christmas gift to us.

I can only give you a small Christmas gift back. I've just been advised that you have received bail.

Mr. Karlheinz Schreiber: Thank you so much.

The Chair: You'll be sleeping in your own bed, hopefully, tonight.

Mr. Karlheinz Schreiber: All the miserable things, to describe today what happened to me, I would do voluntarily again for the opportunity to come home to the person I love the most on earth, my wife.

The Chair: I understand fully.

Colleagues, I think I want to proceed to questions by members. Mr. Schreiber has indicated he has answers to the questions we've posed. The members obviously are not required to go in precisely the same order, or even to pose all of the questions. They may have been answered by Mr. Schreiber's statement or by other information. So we really are just going back to the first round, for seven minutes.

I would also like to indicate, Mr. Schreiber, as we've discussed with you and your lawyer, not answering a question or refusing to answer is not an option, which you well understand. I understand there may be some questions that are difficult for you, because you feel they may damage some other person unjustly, etc. I will entertain any arguments or justification you have and determine how we might be able to get that information out, if it is necessary.

I also remind you again that you are covered by parliamentary privilege, which means that no testimony you give before this committee can be used against you in any other proceeding.

Do you understand what I have said?

Mr. Karlheinz Schreiber: Thank you so much, Mr. Chair.

The Chair: Let's move on to questions. The first round is seven minutes.

Mr. Goodale.

Hon. Ralph Goodale (Wascana, Lib.): Thank you, Mr. Chairman.

Mr. Schreiber, my name is Ralph Goodale. I'm a member of Parliament from Saskatchewan. I'm substituting today for my Liberal colleague Robert Thibault, who is, unfortunately, storm-stayed by the bad weather in Atlantic Canada.

Today, with the benefit of all your papers, we hope we will be able to pursue the issues that are before this committee. I have just one question to begin with, Mr. Schreiber, to do with the issue you just raised about Airbus, and that is the following.

Airbus and the German government obviously had a deep interest in getting the Canadian contract. I'd like to ask you this. Did Airbus authorize any payments to be made to facilitate the contract? If so, to whom were those payments to be made? When were they made?

How much were they? And were these amounts deductible as expenses on the Airbus side?

Mr. Karlheinz Schreiber: In any case that is involved in this...I mentioned the three, and so let's deal with Airbus.

It is quite different, though. It is not money you spend or do; it is money based on success. It was a commission. Do you understand? No business, no commission. In other words, the official agreement was made with Airbus through a company, IAL, which is the trust company in Liechtenstein. By the way, it doesn't belong to me. This is another one, and it is not even necessary, because you could have been there and could have been the trustee for Airbus, or GCI.

Now, when the success is there and you get your commission on the business, if GCI wants to be paid in Switzerland—and this was stated, by the way, by the RCMP at the beginning as well—it's not illegal. As long as they declare the tax in Canada whenever they take money out or whatever the tax rules are, that's the end of the story. They can decide whatever they want. And that was my job.

When you speak about these helpful donations, which was for us a very big word in all these years, there was always a discussion by industry and the government—look, there are so many countries that do this all over the place. And that's true. It's absolutely true. I have witnessed this everywhere. We have to get the possibility to deduct this, no?

As I said, with the helicopters, once in a while they even looked for a situation to say, what is it? To give you a very precise understanding—because I take it that this is a question you want to know—I will show you what nonsense this is.

The only business that took place from MBB is that they sold parts from the mother company in Germany to the Canadian company in Fort Erie, where they had other shareholders. So when you look at this and say you need help for donations, you see already what nonsense this is, because it's the same. You take your money from your own left pocket to your own right pocket and you say, I need help for donations to sell material to my own company. So this is why they invented something and put it on, for example, the coast guard, to show a project that is finally on hand to satisfy revenue Germany to get the deduction for helpful donations.

● (1200)

Hon. Ralph Goodale: Mr. Schreiber, I may well want to return to that later on, particularly after I've had the opportunity to read some of the paper you've filed today. Let me move on to a different topic, but it relates to the questions you were asked at the last meeting.

You made an arrangement with Prime Minister Mulroney on June 23, 1993, at Harrington Lake to provide him with \$500,000. Is that correct?

Mr. Karlheinz Schreiber: No.

Hon. Ralph Goodale: What is correct?

Mr. Karlheinz Schreiber: Correct is that we discussed the situation and what we could do, and we agreed that when he was back in Montreal, in his law firm.... It was more or less all based on what he told me he believed, that Kim Campbell was going to win the election and have another majority government and he would be in a comfortable position. It is easy to understand how it is today, right? Very simple.

And then I said, okay, I was prepared to do that. I would go down and let him know what was available. I had funds available for the Bear Head project, which is still there, and I would let him know.

So it was an agreement in principal that we would work together, but on that day—it would be completely unfair for me to say anything else, and it would not be the truth—we did not speak about money.

The Chair: We have just a minute and a half left, Mr. Goodale.

Hon. Ralph Goodale: We will want to return to that particular conversation, Mr. Schreiber, to determine exactly what the nature of your agreement with Mr. Mulroney was.

Can you tell me, was there anyone else present at that conversation—

Mr. Karlheinz Schreiber: No.

Hon. Ralph Goodale: —or was that entirely between you and him?

Mr. Karlheinz Schreiber: No, only him.

Hon. Ralph Goodale: In the material you've filed, do you have any of your personal agendas or diaries that could verify the exact time and location of that meeting?

Mr. Karlheinz Schreiber: Yes, this was shown in the media. I had a page from that and I gave it. It was the telephone number and the day. I think, in the meantime, the media found out the service that drove me there, because he had sent a limousine. But there is nothing else.

Hon. Ralph Goodale: I have one final point on this round, pursuant to that discussion you had at Harrington Lake on June 23. Is it true the first cash payment was made to Mr. Mulroney, in August 1993, at Mirabel Airport? Is that correct?

• (1205)

Mr. Karlheinz Schreiber: Yes. The point is that after the meeting I checked what was left for the Bear Head project, from everything that was available, and \$500,000 was left. I'm pretty sure—I cannot say 100%, but I am pretty sure—that I had no discussion with him before I met with him at the airport. But then, for sure, I told him clearly that there was \$500,000 in the account that was available for his service when it came to a success.

Hon. Ralph Goodale: And at that meeting you delivered the money?

The Chair: Thank you. Mr. Goodale, I'm sorry, but your time is up.

Madame Lavallée, vous avez la parole.

[Translation]

Mrs. Carole Lavallée: Thank you very much, Mr. Schreiber, for being here this morning and for being so cooperative.

First of all, I must thank you for the Christmas gifts that you have given us. Actually, I had made up my list beforehand and had given it to you last Thursday. You are never really disappointed when you make a wish list. I will do the same in my personal life.

The nature of the agreement with Mr. Mulroney is indeed one of the things that concern us the most, but you have said several things. You said that you gave him \$300,000 because he was having financial problems. You said—and you just repeated—that it was for the Bear Head project. You also mentioned in your affidavit the creation of a pasta plant. You even said that it was for the reunification of Germany.

Why did you tell several stories? I would like to know what part of it is the fronts that you had made up and what part is the truth. What part of it is true and what have you decided together to tell publicly? Most of all, I would like to know where this amount of \$300,000 was coming from. There was \$500,000 in the Britan account. Where did this money come from? Was it from Airbus?

[English]

Mr. Karlheinz Schreiber: Let me start with a Christmas gift. It's not \$300,000, but it's a Christmas gift.

Your question is a question I have received several times, and it is nothing else than a mix-up with the media. When I spoke about this...when you do something you must not have one reason. I had more than one reason to think about why I should help him. And that's because the problem was that they had sold the furniture and Fred Doucet was out of his mind, no money, and Elmer MacKay was nearly crazy that they took the furniture away. So now my thinking is, why would I help him? The project is not there, he is leaving, why would I help him?

So one thing was, then...and now I have come step by step, because all the reasons you said are the reasons I entered into an agreement with him. One was that I was grateful, yes, that he helped the unification, because Mitterrand and Maggie Thatcher were very much against it. So it was Mulroney, James Baker, Bush, Kohl, and Gorbachev who did it. If you had a wall through your city, 16 million in jail, you would be grateful too, I am convinced, when somebody helps to break it down. That was one reason.

The other reason was to save the project. Where Thyssen already spent so much money and felt betrayed, when we finally heard the project doesn't taking place...because at that time we did not know Mr. Mulroney killed it. This is what we learned later in the letter of request. That was 1995, so two years later, we still believed it would go. So now was there a chance? I tell you quite frankly that I had my doubts that Kim Campbell would ever have got a majority government, but Mr. Mulroney was a very powerful man in Quebec so perhaps it would have worked.

The next thing was, and here is another break, the pasta had nothing to do with this at that time; it didn't even exist. This is what Mr. Mulroney said. The pasta came, the first time, when we spoke about something. This project was not there because Kim Campbell did not get a majority government, and he could do nothing. I mean, you will agree with me that he could not have gone to Mr. Chrétien and said, now give Thyssen the project, right?

So the first time we spoke about pasta, there was nothing he could do at that moment. The earliest we started to think about what could it be was 1994, in December, in New York. I even have my doubts that I spoke with him then. I think it was much later when Spaghetissimo was incorporated and a Canadian businessman, a friend of mine, came to Switzerland, and we discussed the matter with Greg Alford.

So forget the pasta thing. That came much later in the discussion and had absolutely nothing to do with this payment.

• (1210)

[Translation]

Mrs. Carole Lavallée: You said that you were thankful to Brian Mulroney for what he had done in the issue of the reunification of Germany, but you were also thankful to him for what he had done for Airbus.

[English]

Mr. Karlheinz Schreiber: No.

[Translation]

Mrs. Carole Lavallée: You were not thankful to him?

[English]

Mr. Karlheinz Schreiber: No.

[Translation]

Mrs. Carole Lavallée: You were not happy.

[English]

Mr. Karlheinz Schreiber: No. But you see, madame, why Airbus, as I've told you, was a deal between Franz Josef Strauss, François Mitterrand, and, as much as I know, Brian Mulroney.

I received great laughs when the story came out that Brian Mulroney was involved with Airbus. This comes later in a very funny way, when somebody told me Air Canada was a Liberal property. If Mulroney had just shown up five miles away from Air Canada, he would have done the opposite from everything he wanted.

No, the first time I heard that Mulroney could have been in any way involved in this was when Fred Doucet asked me one day.... I have to say this a little bit better. There was always a fight between the Doucets and Frank Moores and Gary Ouellet. But you see, they were shareholders, and the money that came to Switzerland, to the account, belonged to the shareholders of GCI. Fred Doucet always wanted to know from me whether the figures he received from Frank Moores were correct, if this was exactly the money that came there. I did not want to be involved in this, so I said, leave me alone; speak to Moores. I cannot go into your internal business. And then he said, I want you to make sure that from this account money will be transferred to a law firm in Geneva—

[Translation]

Mrs. Carole Lavallée: I just want to know where the money that was in the Britan account came from.

[English]

The Chair: This is your last question.

Mr. Karlheinz Schreiber: This came from an account rubric, which was called Frankfurt, which stood for Frank Moores and GCI.

But it was my account, right, and a rubric in my account. I had reserved this money because Mulroney was leaving and nothing had been done with Bear Head Industries. I was still hanging around, and I felt horrible towards Thyssen because of all the money they had spent. I had left this portion of money for me to make sure that I could continue.

The Chair: Thank you, Madame Lavallée.

We now move to Mr. Pat Martin.

Mr. Pat Martin (Winnipeg Centre, NDP): Thank you, Chair.

I have very little time, Mr. Schreiber, so let us be brief in the answers. We could meet later, perhaps, for coffee, and that would be nice.

Voices: Oh, oh!

Mr. Pat Martin: Mr. Schreiber, your lawyer testified in Germany—and he said again here in Canada—that you had distributed about \$10 million to Canadians in trying to influence politicians. Is this true?

Mr. Karlheinz Schreiber: My lawyer testified somewhere? I'm not aware of that.

Mr. Pat Martin: Well, let me ask directly, then: was André Ouellet paid by you or any of your associates, while he was a cabinet minister, to lobby inside the Chrétien PCO, or PMO, about the Bear Head—

Mr. Karlheinz Schreiber: André Ouellet? In what position was he?

• (1215)

Mr. Pat Martin: André Ouellet at that time would have been Minister of Foreign Affairs, I believe.

Mr. Karlheinz Schreiber: No.

I think I saw him the first time with the Atlantic Bölkow organization. I think he was a member of that.

Mr. Pat Martin: Yes.

Mr. Karlheinz Schreiber: I recall that I gave him a courtesy visit one day in his constituency office. That's all. The rest was done by Thyssen officials; I never met with him again.

Mr. Pat Martin: Why would André Ouellet still be lobbying for Bear Head during 1995-96? Do you believe that Thyssen was lobbying him?

Mr. Karlheinz Schreiber: Yes. Mr. Massmann was the one who took over, and there was a very simple reason. Since I was so exposed with DND during the Mulroney time, it didn't make any sense for me to go there. So I took myself back, and Mr. Massmann, who was the president, took over with Mr. Alford, and they visited the people.

Mr. Pat Martin: I see.

in the dying days of the 1993 election campaign, records show in Germany that \$500,000 was transferred into the bank account titled MARC. Can you tell us what that stands for?

Mr. Karlheinz Schreiber: Yes. The account was set up originally to make sure that Mr. Lalonde would work for us, for Thyssen. Then I was told that I had nothing to do with this, since all the things had changed. So if anything went on, it all went on directly between Thyssen and Marc Lalonde, and I had nothing to do with it. I was told the money was for other purposes; they took it back from me, and that was it.

Mr. Pat Martin: Marc Lalonde just went your bail today. Is that true? Is he still actively...?

Mr. Karlheinz Schreiber: I think so, yes. I love him; he is a wonderful person.

Mr. Pat Martin: Is he still acting as your lawyer?

Mr. Karlheinz Schreiber: Yes.

Mr. Pat Martin: So your lawyer put up your bail?

Mr. Karlheinz Schreiber: Yes.

Mr. Pat Martin: That's highly unusual.

Mr. Karlheinz Schreiber: What can I say? Lawyer. First of all, it's Stikeman Elliott. He referred me to an excellent lawyer, Martin Langlois, and I am happy with him.

We—our families—are very close, in the meantime. When I say he's working as my lawyer, it could be, at the maximum, that I ask him for advice or whatever, but he would not do any legal work for me.

I don't know whether you know, but he is not even with Stikeman Elliott LLP anymore as a lawyer; he is acting only as what you would call an international arbitrator.

Mr. Pat Martin: I see.

I'm going to pass over to my colleague Thomas Mulcair.

[Translation]

Mr. Thomas Mulcair (Outremont, NDP): Thank you, Mr. Chair.

I would like to come back to the issue at hand, that is the Mulrone-Schreiber affair.

I would like to ask Herr Schreiber whether he could explain to us why, if no work had been done, he made a first instalment of \$100,000 in Mirabel in August 1993, and then, a few months later, a second instalment of \$100,000 in another hotel in another town, and finally, three payments in cash to Brian Mulrone, all within 16 months. If no work had been done, why did he keep making payments throughout this period?

[English]

Mr. Karlheinz Schreiber: The first payment was at Mirabel, and—I found this, by the way—all the meetings were arranged by Fred Doucet, not on my request. He was always asking, all through the December meetings. I found a note that I should call there and meet him, so we met at the Queen Elizabeth. But this was the first time after Kim Campbell did not win the election. So now I knew he had his problems and I had somehow a feeling—and I think I was pretty right—that he would be a pretty good lobbyist, as he is at the moment for many international companies, and we may be able to use him for something, so let's give him some briefs at the moment, and that's....

[Translation]

Mr. Thomas Mulcair: You are aware that during his testimony under oath, Mr. Mulrone alleged that he has never had any dealings with you.

[English]

"I never had dealings with that man". It has echoes of a sentence we heard south of the border a few years ago.

[Translation]

Was Mr. Mulrone telling the truth when he said that he had never had any dealings with you?

[English]

Mr. Karlheinz Schreiber: Sir, I was bothered with these questions about any dealings. You may recall that it went to the media that I was a witness at the MBB case, and there all these questions came up. I said yes, I had business dealings with him, or discussions. When I was asked what it was about, it was about pasta. But this was many years later, when I asked him to participate in these obesity problems and the pasta problems. So this is why I say Greg Alford knows this 100%. This had nothing to do with 1993, it had nothing to do with 1994, nothing to do with 1995; it started somehow in 1996 or 1997, or God knows when.

• (1220)

[Translation]

Mr. Thomas Mulcair: I would like to ask you one last question, Herr Schreiber.

You said earlier that you gave some \$30,000 to the brother of Jean Charest, the present premier of Quebec, for Jean Charest's leadership campaign.

To your knowledge, was Mr. Charest's name mentioned elsewhere in this file? Did other persons talk to you about him? You have just done something that could have far reaching implications, by asserting that you gave him \$30,000 for his leadership campaign. Could you tell me whether his name was mentioned at other times during your transactions? Will his name come up somewhere in the 35,000 pages of documentation or in other testimonies?

[English]

Mr. Karlheinz Schreiber: No, it has nothing to do with all this. These are spontaneous things. I must confess that when I learned that Monsieur Charest would go for the leadership, I thought it could be something good—something young, something fresh, something quite different for Canada.

[Translation]

Mr. Thomas Mulcair: Who approached you and asked you to give \$30,000 to Jean Charest for his campaign?

[English]

Mr. Karlheinz Schreiber: It was his brother. His brother at the time worked somehow with the government somewhere, but was also his fundraiser. I met him in the secretary's office for Elmer MacKay at the Confederation Building, and he approached me and asked me if I would contribute to the leadership convention for Jean Charest. I said, yes, I was pleased to do that. Then a few days later we met.

You have perhaps seen that when I was arrested, everybody was amazed that I had quite some cash in all different currencies in my purse. When you travel as I did—my worst year was 176 days in a plane—and you come back and forth to countries, you don't always go back to the bank; it costs you double when you need some money. You keep it. On top of this, you may come to a situation where you cannot use a credit card or cheques, so I wrote a cheque. I think I said to give—

The Chair: Thank you.

Mr. Hiebert, for seven minutes.

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Mr. Chair, I'll be sharing my time with my colleague Mr. Tilson.

Mr. Schreiber, last Thursday I asked you about any correspondence you had with the Prime Minister's Office. You indicated you'd received a reply from one of the many letters you had written. I was wondering if the reply that you're referring to is in the package of documents that you have provided this committee and if you could identify that letter or that reply for us at this time.

The Chair: If you require to look at it, please, either we'll bring it back to you or you bring—

Mr. Karlheinz Schreiber: My lawyer thinks it is somewhere in the documents, because I'm missing something.

The Chair: Okay, if he knows where they are, please come here and look at it. We won't proceed until you have a chance to do that.

Mr. Karlheinz Schreiber: Oh, I have it here. I have my list.

The Chair: Okay, thank you.

Mr. Karlheinz Schreiber: Oh, yes, sure. It's in the file with the correspondence from the Prime Minister. The reply was on January 22, 2007; he answered my letter from January 16, 2007.

Mr. Russ Hiebert: Can you give us the contents of the letter?

Mr. Karlheinz Schreiber: Yes, you have it in that file. The contents of the letter are that the Prime Minister's Office received the letter and that they forwarded the letter, with the documents, to Minister of Justice Nicholson.

Mr. Russ Hiebert: Okay, so you're stating that it was an acknowledgement letter—

Mr. Karlheinz Schreiber: Yes.

Mr. Russ Hiebert: —from the Privy Council Office—

Mr. Karlheinz Schreiber: No. It was the Prime Minister's Office.

Mr. Russ Hiebert: —acknowledging receipt of your documents and saying that they were forwarded to the justice department. Is that correct?

Mr. Karlheinz Schreiber: I would prefer you look at the document, because I don't have it in hand. You're now saying it's the Privy Council. Why don't you look at the document?

Mr. Russ Hiebert: Mr. Chair, perhaps you could provide the documents to Mr. Schreiber.

Please reserve my time.

The Chair: We've stopped the clock on your time, Mr. Hiebert. I think it's important that we have.... If the document is in the room, let's get it.

• (1225)

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Mr. Chair, I have a copy of that letter. If you want, I can give it to you. It is from the Prime Minister's Office.

The Chair: Just give it to him, please.

Mr. Karlheinz Schreiber: It's from the Office of the Prime Minister, January 22, 2007, to Karlheinz Schreiber, MacKay Lake Estates, 7 Bittern Court, Rockcliffe Park, Ottawa, Ontario:

Dear Mr. Schreiber:

On behalf of the Prime Minister I would like to acknowledge receipt of your correspondence of January 16.

I have forwarded a copy of your letter and enclosures to the Honourable Robert Nicholson, Minister of Justice and Attorney General of Canada, for his information.

Yours sincerely,

S. Russell

Executive Correspondence Officer

Mr. Russ Hiebert: So you clearly state that the correspondence was an acknowledgement letter from the correspondence office and that the letter was sent to the justice department, but nothing beyond that. There's no personal reply from the Prime Minister or any insinuation that there was a personal reply, or even that the Prime Minister had seen the letter himself?

Mr. Karlheinz Schreiber: I said this is the letter I got. What is the discussion on this? It speaks for itself.

Mr. Russ Hiebert: Okay. Thank you.

Mr. Chair, I pass the balance of my time to my colleague Mr. Tilson.

Mr. David Tilson: I just want to confirm, Mr. Schreiber, in regard to the documents you produced to the clerk of the committee, are those all of the documents that you have concerning the issue before the ethics committee?

Mr. Karlheinz Schreiber: All that I could work out, and what I had already, in part, prepared, yes.

As I said earlier, when you read all this, you may come up with further questions, and I may—

Mr. David Tilson: No, sir, I just want to know whether we have everything or whether you have other documents. Because you mentioned before that you had documents in Toronto and Ottawa and Switzerland. I just want to make sure we have everything.

Mr. Karlheinz Schreiber: Okay. You're absolutely right, because there are three lawyers in Switzerland, three lawyers in Canada, and three lawyers in Germany, and they have all the documents related to this case.

So do you want to have all of them, or what?

Mr. David Tilson: I want you to undertake, sir, to produce everything.

Mr. Karlheinz Schreiber: I don't know whether they'll do that and how that would work. I have no idea.

Mr. David Tilson: Excuse me, sir?

Mr. Karlheinz Schreiber: I have no idea how this can work, but I —

Mr. David Tilson: Well, you produce them. You just get them and produce them to the committee. That's all you have to do.

Are you prepared to do that, sir?

Mr. Karlheinz Schreiber: I can ask the lawyers to do this, but I wonder how—

Mr. David Tilson: Well, your lawyers had better do as they're told. Okay?

So you'll undertake to do that, Mr. Schreiber?

Mr. Karlheinz Schreiber: Yes, I can do that.

Mr. David Tilson: Thank you very much, sir.

Prior to June 25, 1993, did you ever give Prime Minister Mulroney cash or other financial consideration for any service that he provided to you?

Mr. Karlheinz Schreiber: Again the question, please.

Mr. David Tilson: Do you want me to repeat the question?

Mr. Karlheinz Schreiber: Yes.

Mr. David Tilson: My question is, prior to June 25, 1993—

Mr. Karlheinz Schreiber: June 25?

Mr. David Tilson: June 25, 1993—okay?—

Mr. Karlheinz Schreiber: Yes, okay.

Mr. David Tilson: —did you ever give Prime Minister Mulroney cash or other financial consideration for any service that he provided to you?

Mr. Karlheinz Schreiber: No.

Mr. David Tilson: The last time you were before us, sir, you mentioned \$500,000 that you were planning to give him. Were any of these moneys that you were planning to give Prime Minister Mulroney compensation for any service that he performed for you prior to June 25, 1993?

Mr. Karlheinz Schreiber: No.

Mr. David Tilson: Last week you said that you had an agreement with Mr. Mulroney. Can you tell us when you established this agreement with Mr. Mulroney?

Mr. Karlheinz Schreiber: Yes, it was at Harrington Lake. This is my understanding: that we agreed to work together when he was back in Montreal.

Mr. David Tilson: When was that, sir?

Mr. Karlheinz Schreiber: It was June 23, 1993.

Mr. David Tilson: Was this a written agreement?

Mr. Karlheinz Schreiber: No.

Mr. David Tilson: It was an oral agreement?

Mr. Karlheinz Schreiber: Yes.

Mr. David Tilson: Were just the two of you present, or was there someone else present?

Mr. Karlheinz Schreiber: No.

Mr. David Tilson: Who was present?

Mr. Karlheinz Schreiber: No one.

Mr. David Tilson: Just the two of you?

Mr. Karlheinz Schreiber: Yes, at least in the room where we spoke.

Mr. David Tilson: What time of day was this?

● (1230)

Mr. Karlheinz Schreiber: I think I was picked up in the morning around 11 o'clock or so.

Mr. David Tilson: So you spoke to Mr. Mulroney sometime after 11 o'clock in the morning, and you're sure it was June 23, 1993.

Mr. Karlheinz Schreiber: Yes, absolutely.

Mr. David Tilson: Until your affidavit of November 7, 2007—this year—where you state that you met with Prime Minister Mulroney on June 23, 1993, you had consistently indicated that the meeting with Mr. Mulroney occurred after Mr. Mulroney was no longer Prime Minister of Canada. He stepped down June 25, 1993.

So my question to you is, sir, was he or was he not Prime Minister at the time?

Mr. Karlheinz Schreiber: On June 23, 1993, Mr. Mulroney was still in office as Prime Minister. This is in my affidavit. I don't know what you're referring to.

Mr. David Tilson: Well, my—

The Chair: Thank you, Mr. Tilson. I must apologize; we're going to move to the second round.

Mr. Dhaliwal, *s'il vous plaît*.

Mr. Sukh Dhaliwal: Thank you, Mr. Chair.

Thank you, Mr. Schreiber, for coming here again.

You have said today that you struck an oral agreement in principle with Mr. Brian Mulroney while he was still Prime Minister, and later agreed the amount would be \$500,000, including the actual payment of a first installment of \$100,000 in cash, while Mr. Mulroney was still a member of Parliament. Did you not realize this could be a conflict for Mr. Mulroney, given that he worked on the Bear Head file while he was still the Prime Minister?

Mr. Karlheinz Schreiber: I never thought about this and I didn't even think about his still being a member of Parliament; it didn't come to my mind. When we were there, we spoke about it, and he then spoke about this nice picture or photo he wanted to give to me, and what he could do—that is, Montreal badly needs jobs, and stuff like that. This was what I was interested in.

The \$500,000, sir, was...when I spoke with him in Mirabel, I told him, this is the money that is available, which I have still left for the project. That meant to make it clear to him that this was all that was left.

Mr. Sukh Dhaliwal: Mr. Schreiber, you probably did not realize at the time that Mr. Mulroney was still Prime Minister when you had this oral agreement in principle and you paid \$100,000 in cash. Now you realize that he was the Prime Minister at the time, because you said it was June 23, 1993, but Mr. Mulroney stepped down as Prime Minister on June 25, 1993.

Just to freshen your memory, do you agree that he was still Prime Minister?

Mr. Karlheinz Schreiber: Yes. But as I said to you, the first time we spoke about money or anything was at Mirabel, because at that time, and as is easy to understand, I had to find out first what was available.

Mr. Sukh Dhaliwal: Mr. Schreiber, I'm going to go back to the question I put to you the other day. Your letters that were tabled with this committee last week indicate that you wrote to Mr. Harper on June 16, 2006, and asked for an inquiry into the issues surrounding you and Mr. Mulroney. Is that correct?

Mr. Karlheinz Schreiber: Can you help me? What page was that? I have this transcript from you now. Can you tell me where that question was?

Mr. Sukh Dhaliwal: It is from June 16. We do not have that letter here, but we are trying to ask you to confirm if you had written it on June 16, 2006.

Mr. Karlheinz Schreiber: I can confirm to you I sent a letter to him on June 16, 2006, sir, and you should have it there.

Mr. Sukh Dhaliwal: Today, in this...?

Mr. Karlheinz Schreiber: Yes, it is where you took this from.

Mr. Sukh Dhaliwal: You have given it today, right?

Mr. Karlheinz Schreiber: Yes.

Mr. Sukh Dhaliwal: You wrote to Mr. Harper on January 24, 2007. What was the purpose of that letter, and did you include that letter with the documents that you tabled today?

• (1235)

Mr. Karlheinz Schreiber: Sir, you understand that I will have to see the letter, what it is.

Mr. Sukh Dhaliwal: Take your time, Mr. Schreiber.

Mr. Karlheinz Schreiber: There is a letter. The date is okay. You have the file with the letters I have sent to Mr. Harper. I unfortunately don't have it. So if you could just open it—or is it in my affidavit? Hang on.

The letter reads:

Dear Prime Minister:

Today I take the liberty to send you copies of my letter January 23, 2007 to The Hon. Robert D. Nicholson, Minister of Justice and Attorney General and my letter January 24, 2006 to The Hon. Stockwell B. Day, Minister of Public Safety for your information.

The news from today proves again who controls the department of Justice and confirms my concerns. **The inescapable conclusion is that your political enemies are undermining your government's intention to clean up how the nation is governed.**

I don't think that you are interested in my advice but I can tell you that I have spent at least 45 years of my life with international Conservative Politics and tried to support Conservative causes where-ever support was needed. This is the main reason of my troubles, since no good deed goes unpunished.

I was a close witness to the painful decline of the Conservative Government of Brian Mulroney and I'm a pretty good observer with an impressive memory.

I learnt that the formula: **"Wash me but don't make me wet"** will not work!

Dear Prime Minister, in my opinion you need the strong and permanent—

The Chair: Order.

I apologize, Mr. Schreiber.

Our proceedings are broadcast in both official languages, and there are some wonderful people in the room who are translating everything you're saying, but the velocity of your information is causing them some difficulty, and I'd ask you to please take the time to read it carefully. There's no hurry. I want to give you the time to do this. I'm going to give Mr. Dhaliwal one more minute after you finish responding to his previous question so that everybody is feeling good, especially those ladies.

Mr. Karlheinz Schreiber: I'm sorry, but I thought I should save time with my speed.

The Chair: I understand, but I'm taking care of these people back here.

Mr. Karlheinz Schreiber: I am continuing:

Dear Prime Minister, in my opinion you need the strong and permanent support from Canadian voters to ensure your success through their confidence.

Only an independent public inquiry, concerning the "Political Justice Scandal" and the "Airbus" affair, can achieve the clean up in Ottawa which you have promised to your voters.

I wish you health and fortune.

Yours sincerely,

Karlheinz Schreiber.

Mr. Sukh Dhaliwal: Mr. Schreiber, did you get any reply to that letter from the Prime Minister?

Mr. Karlheinz Schreiber: No.

Mr. Sukh Dhaliwal: Have you written any other letters to members of the current Harper government?

Mr. Karlheinz Schreiber: Yes.

Mr. Sukh Dhaliwal: Did you provide us those letters in the package that you submitted today?

Mr. Karlheinz Schreiber: I take it that they are in the file, because I strongly believe—this is at least my recollection, because this is one of the points where I couldn't go home and check everything carefully—that I have sent a copy of each letter I have sent, for example, to Peter MacKay, to Mr. Sorenson, to Stockwell Day, to Mr. Dion, and I sent always a copy to the Prime Minister to make sure that he understands what I'm doing.

The Chair: Thank you, Mr. Dhaliwal.

We're going to move to Mr. Del Mastro, please.

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Tilson just wanted to finish off a question that he had.

Mr. David Tilson: This date that you gave us, Mr. Schreiber—June 23, 1993—troubles me somewhat, because that isn't what you told a court of law in the past. It isn't what you told William Kaplan, who's the author of *A Secret Trial*.

Mr. Karlheinz Schreiber: Again, what are you saying?

Mr. David Tilson: That isn't what you said then. You said the story begins in late June 1993, long after Mr. Mulroney stepped down as Prime Minister.

In an action of R v. MBB Helicopter et al., the transcript is quite clear. You said the following: you hired Mr. Mulroney after Mr. Mulroney left office and stepped down as Prime Minister. And secondly, you said that you never met Mr. Mulroney in private while he was Prime Minister.

So you've made two conflicting statements, one in a court of law and a book, and one today. Which is it?

Mr. Karlheinz Schreiber: No, for me it's not conflicting. I think I explained it today. This is my understanding. When I met with Mr. Mulrone, we agreed to work together and that I would go to check—

Mr. David Tilson: Sir. Sir, I'm—

The Chair: Mr. Tilson, order, please. Order. You posed a question to Mr.—

• (1240)

Mr. David Tilson: Well, he's ranting. He's going off on another tangent.

My question, Mr. Chairman—

The Chair: Order, please.

Mr. Tilson, with respect to the witness, you did pose a question. There's a conflict. He wants to answer. I'll give you time to go further. I'll give you latitude on this line of questioning, but I do want to hear from Mr. Schreiber until he's answered the question you posed to the best of his ability.

Please proceed, Mr. Schreiber.

Mr. Karlheinz Schreiber: At the meeting at Harrington Lake—and I repeat this on and on—we agreed to work together when he was no longer the Prime Minister, when he was back in office, and doing what he was supposed to do, to look after the Bear Head project, when Ms. Campbell had won the election. So that means between Harrington Lake and then, nothing would take place.

The other thing was that I told him I would have to check whether funds were available, and I did. And when we met at Mirabel, I told him, yes, \$500,000 is available.

What was the third question you asked?

The Chair: Okay. Now, let's stop it there.

I want to go back to Mr. Tilson, and he's going to come back to you, maybe with a supplementary on the same lines.

Mr. David Tilson: My question was, sir, you made a statement today that is contradictory to what you said in a court of law and a book—quite different statements. You're saying today that this agreement, this deal, was worked up while he was Prime Minister. In a court of law, under oath, sir—the one I just quoted to you—and in a book, you said no, it was after that. It was after he left office.

My question is very simple. Was it while he was Prime Minister or after he was Prime Minister?

Mr. Karlheinz Schreiber: I still am telling you that we agreed to work together, and then whatever comes up, we do it and I look for the funds. So I don't know what understanding...we have a different understanding of business. I cannot see a contradiction.

Mr. David Tilson: I'm finished with him.

The Chair: Thank you.

Excuse me, I have the affidavit here and I believe maybe the disagreement is in it.

The agreement was made—

Mr. Dean Del Mastro: Mr. Chair, I'll work for some clarification here, if I could.

The Chair: That's the difference.

Okay, Mr. Del Mastro, I'm going to give you three minutes.

Mr. Dean Del Mastro: Thank you, Mr. Chair. I appreciate that.

Mr. Schreiber, what you're saying is that there were discussions at Harrington Lake, simply that you would work together. No money changed hands. There was no talk of money. There was no talk of how much it would be, only that you would work together in the future. That was the discussion.

Mr. Karlheinz Schreiber: Absolutely.

Mr. Dean Del Mastro: When Brian Mulrone spoke in the Airbus inquiry in 1996, he was talking about an historical perspective. He said, "I had never had any dealings with him". "I had never had any dealings with him."

Had you ever had any private dealings with Mr. Mulrone when the Airbus purchase was going on? Had you ever had any private dealings with him? Had you ever paid him any money personally?

Mr. Karlheinz Schreiber: No.

Mr. Dean Del Mastro: No, you had not. So his statement that he gave during the Airbus inquiry in 1996, "I had never had any dealings with him", is accurate.

Mr. Karlheinz Schreiber: In my opinion, yes, because Kim Campbell didn't take place and nothing else was on. The only business we later discussed was the pasta business. There was nothing else.

Mr. Dean Del Mastro: Thank you.

Mr. Schreiber, I want to come back to something else, because the reason Airbus has been a big story for a long time is that opposition members have alleged that the former Prime Minister took bribes—

Mr. Karlheinz Schreiber: Yes.

Mr. Dean Del Mastro:— to aid in the purchase of Airbus jets. Everything that you said today leads me to believe that Airbus jets were bought because it made sense, because there was a cost-benefit to it, because it was a good choice for Air Canada. Is that accurate?

Mr. Karlheinz Schreiber: Yes, sir, and I have a lawsuit since 1997 and tried to bring out that truth in a courtroom. Unfortunately, I couldn't make him, because the government blocked me all the way through. There were only two ways for me: the lawsuit in a courtroom or this inquiry.

Mr. Dean Del Mastro: Is there anything sinister about a person who represents a company receiving commissions for representing a company?

Mr. Karlheinz Schreiber: No.

Mr. Dean Del Mastro: I didn't think so.

Thank you, Mr. Chair.

The Chair: Thank you very much.

Colleagues, people are starting to watch the clock, and I think it's important to understand where we're going from here.

We have Mr. Asselin for five minutes, and then we're going to have Mr. Martin for five, and I think at that point we'll probably be right to the hour.

I'm going to then have some instructions for Mr. Schreiber concerning the necessity for a further appearance, then I'm going to adjourn the meeting, but I want members to stay. I want to move in camera with committee members. I want to clear the room at that time, at one o'clock, so that the members can have an opportunity to examine the documents that have been submitted to us, and to concur upon the most expeditious manner in which we can get the documents into the hands of all honourable members.

Mr. Hubbard, do you have a question?

•(1245)

Hon. Charles Hubbard (Miramichi, Lib.): Mr. Chair, I certainly object to that. Mr. Martin has already had his time to question. I believe my turn should come before the conclusion of this meeting.

The Chair: No. You are after Mr. Martin.

In the second round we have Mr. Dhaliwal and Mr. Del Mastro, and now we have Mr. Asselin. And then we have Conservative and then Liberal. That's the established routine of our committee, I can assure you.

Mr. Asselin, *cinq minutes, s'il vous plaît.*

[Translation]

Mr. Gérard Asselin (Manicouagan, BQ): Mr. Schreiber, the Bear Head project was supposed to be built in Nova Scotia. When that didn't happen, you turned your attention to Quebec. Having failed to put the project into place under the maple leaf, you have chosen to try and make it happen under Quebec's fleur-de-lis.

That was an excellent initiative, by the way.

Mr. Schreiber, the Bear Head project was discussed in Cabinet, of which Mr. Jean Charest was a member as a senior minister. Was the lobbying effort maintained at the level of Mr. Mulroney, or were other ministers of the Crown, including Mr. Charest, approached about your project?

[English]

Mr. Karlheinz Schreiber: Not to my knowledge, as long as I was not.... And Quebec was chosen by Mr. Mulroney because he said that the opportunity to get support from the government would be easier in Quebec because there he could be more helpful there than he could be in Nova Scotia.

I mean, for me, quite frankly, it was horrible, because it was somehow a betrayal.

The Chair: Order.

We are having a little problem with Mr. Schreiber's microphone.

Could speak into your microphone? Just let it hang naturally and just speak, and we'll see if the translator picks it up.

Could we have his microphone on, please?

Mr. Karlheinz Schreiber: Does it work now?

[Translation]

Mr. Gérard Asselin: Mr. Schreiber, it was a project that was dear to your heart and for which you had given \$300,000 to Mr. Mulroney. It was a project that you wanted to make happen in Quebec. I do not understand why, except for Mr. Mulroney, you did not try to lobby some ministers from Quebec, including Mr. Charest. If you did not direct any lobbying efforts toward Mr. Jean Charest, you have stated that you made a first instalment of \$30,000 to Mr. Charest's brother during the conservative leadership campaign, when he was running against Ms. Kim Campbell. Is that true or false?

[English]

Mr. Karlheinz Schreiber: Yes.

[Translation]

Mr. Gérard Asselin: You gave \$30,000 to Mr. Charest's brother. Do you know the first name of Mr. Charest's brother?

[English]

Mr. Karlheinz Schreiber: I don't know it anymore.

[Translation]

Mr. Gérard Asselin: You don't remember.

Where these \$30,000 paid in cash? I would like to hear you say so.

[English]

Mr. Karlheinz Schreiber: Yes, it was in cash.

[Translation]

Mr. Gérard Asselin: Were other payments, as a contribution for future work, made to Mr. Charest after he succeeded Ms. Campbell? Why did you not use Mr. Charest's services when he was a senior minister in Mr. Mulroney's cabinet?

[English]

Mr. Karlheinz Schreiber: I told you that after this campaign many things went on in Quebec. This was done by my colleague Jurgen Massmann and the people.... I distanced myself from the whole thing.

[Translation]

Mr. Gérard Asselin: Your \$30,000 contribution to Mr. Charest during his leadership campaign against Ms. Campbell was made at the request of Mr. Charest's brother. Did you give these \$30,000 in cash because Jean Charest was a long standing acquaintance of yours, or because you were hoping to obtain some return on your investment?

•(1250)

[English]

Mr. Karlheinz Schreiber: Well, I met with Mr. Charest. He was the Minister for the Environment by that time. And as I said, I saw this as something new, something fresh, and why shouldn't I support it? So it was my idea.

And yes, of course, if Mr. Charest had won the leadership convention and had become the Prime Minister after Mr. Mulroney, sure, I thought he would recognize that he got help from us when he ran for the leadership. I mean, this is the normal course of the idea.

The Chair: I regret I have to move now to Mr. Wallace, *s'il vous plaît*.

Mr. Mike Wallace (Burlington, CPC): Thank you, Mr. Chair-man, and thank you, Mr. Schreiber.

I have one major question to ask you about today.

In your testimony with us last Thursday, you indicated that you had given a letter to the then former Prime Minister Mulroney to talk to Mr. Harper about, and that you had a response back from Mr. Mulroney that things went okay or well. I forget how you actually phrased it.

But in your November 7 affidavit you said:

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.

Then you have an exhibit to that end.

So you my question to you, sir—

Mr. Karlheinz Schreiber: Would you have the paragraph, please, for a moment?

Mr. Mike Wallace: Page 9, paragraph 40, deals with exhibit 16.

The contradiction that I'm having difficulty with, Mr.—

The Chair: Do you have the paragraph now?

Mr. Mike Wallace: He told me he had a great memory.

The Chair: Do you have the paragraph now, Mr. Schreiber?

Mr. Karlheinz Schreiber: Yes.

The Chair: Mr. Wallace, proceed.

Mr. Mike Wallace: The question is, what is accurate? Last Thursday, you told us that you had a response from former Prime Minister Mulroney that things went well, whatever that means, and then in an actual affidavit, which was sworn to be true, you say that you had no response. Which one is accurate, sir?

Mr. Karlheinz Schreiber: That I got no response from him is accurate.

Mr. Mike Wallace: So you did not. So what you said last week wasn't—

Mr. Karlheinz Schreiber: I did not get any response from him, just what a friend told me he said, and that's it. So is it true or is it not true is my problem.

Mr. Mike Wallace: Okay, it was hearsay. So you have no idea whether Mr. Mulroney spoke to Mr. Harper about the letter or received the letter. And Mr. Mulroney—

Mr. Karlheinz Schreiber: Oh yes, I have an idea. The Prime Minister said—

The Chair: Okay, now we're getting near the end.

We need to help those translators. I think we need to let someone complete their questions. Once they've stopped, then we will start

answering. Everybody will be able to hear clearly and understand what is said.

Thank you.

Mr. Wallace, just finish your question.

Mr. Mike Wallace: I just want to be clear so I have a clear understanding. You may have an idea, but there was no verbal or written response from Mr. Mulroney to you that he had engaged Mr. Harper on the topic of the letter that you had provided him.

Mr. Karlheinz Schreiber: That's correct, sir.

This is why I said to you that I was shocked when the Prime Minister said on television that Mr. Mulroney never showed him the letter, never spoke with him about the letter. It was not the first time that Mr. Mulroney wanted a letter from me. I thought, well...I believed. I still believe that. Maybe I'm an idiot, but I believe.

Mr. Mike Wallace: Okay. Thank you very much.

The Chair: We'll move to Mr. Martin for five minutes.

Mr. Pat Martin: I'll be sharing my time as well, Mr. Chair.

If there's one thing, Mr. Schreiber, that's become clear to me as we've had this exchange today, it's that big money corporate lobbyists in this country are the root of all evil.

Some hon. members: Oh! Oh!

Mr. Pat Martin: What other conclusion can you draw? They've been bastardizing democracy at the highest level for all this period of time, and it's a normal way of doing business in some circles.

Were you aware that Mr. Frank Moores was on the board of directors of Air Canada at the same time as he was lobbying with GCI for the purchase of those airplanes? Was that common knowledge?

Mr. Karlheinz Schreiber: I think that the appointment to Air Canada was somehow a signal to the Europeans that Frank Moores was the right guy. Mr. Mulroney supported all the business from GCI, as far as I can see.

Mr. Pat Martin: Yes, I understand.

The Airbus sale resulted in huge commissions for people like Mr. Moores, and presumably you benefited personally, Mr. Schreiber.

● (1255)

Mr. Karlheinz Schreiber: Yes.

Mr. Pat Martin: Who else would Frank Moores have shared those commissions with? How did that money filter down throughout Canadian—

Mr. Dean Del Mastro: I have a point of order, Mr. Chair.

The Chair: Mr. Del Mastro, would you please state the nature of your point of order before you get started.

Mr. Pat Martin: I hope the clock has stopped.

The Chair: Mr. Del Mastro, please.

I'll save your time, Mr. Martin.

Mr. Dean Del Mastro: The point of order is to the effect that Mr. Schreiber cannot possibly know what Mr. Moores did with his money.

The Chair: Mr. Del Mastro, I'm sorry.

Order, please.

Mr. Dean Del Mastro: He's asking him to speculate.

The Chair: Order, please. I believe that's debate.

Mr. Martin, carry on.

Mr. Dean Del Mastro: I think that's ridiculous.

The Chair: Mr. Del Mastro, please. Order.

Mr. Pat Martin: If you can, Mr. Schreiber, would you have any idea who else would have benefited from the distribution of these commissions?

Mr. Karlheinz Schreiber: Since the money was money from GCI, it's very obvious that the shareholders were entitled, whoever they were, to participate in the money, and they have sent different... [*Inaudible—Editor*]...and everything else. It's very clear to whom it was...and by the way—

Mr. Pat Martin: Public office-holders?

Mr. Karlheinz Schreiber: I'm speaking about the shareholders, what I know about what GCI did with the money.

When you ask about how this all worked, we have to ask him. He has perhaps more knowledge about this.

But I ask you a question. If you come to this country, for example, even today, and you want to do business with the government, and the government does not approach you, to come and invite you and help you when you come, as it was in my case. But assume you were to come. To whom would you go?

Mr. Pat Martin: I'd bring a suitcase full of cash, I presume, and start sprinkling it around Ottawa and make some friends.

Mr. Karlheinz Schreiber: Well, that would be a great problem with the security guys. But you for sure would not get access immediately to a minister's office or to a Prime Minister to speak about your project. Will you agree with me on that?

Mr. Pat Martin: In other words, maybe you could buy your way in.

Mr. Karlheinz Schreiber: No, you need a lobbyist. It's very clear. What do think Fred Doucet is doing today?

Mr. Pat Martin: I'm going to split my time.

The Chair: You have half the time left, Mr. Mulcair.

Mr. Thomas Mulcair: *Merci, Monsieur le président.*

I'm going to read just before the 1305 time stamp. There's a time stamp in the transcript of our last meeting, last week, and I'm going to read your answer:

Mr. Karlheinz Schreiber:

I have to correct something here. This is a complete misunderstanding, and I'm happy to explain this to you. All this nonsense you read quite often in the papers doesn't mean it is true. All the agreements were between the industrial companies and Government Consultants International. I was in the middle to organize the things and to watch the funds flow, because we had somebody who stole the money.

Mr. Karlheinz Schreiber: Correct.

Mr. Thomas Mulcair: Could you please elaborate?

Mr. Karlheinz Schreiber: Mr. Pelossi, the trustee, stole \$1.2 million or \$1.3 million from that account, and I had to sue him. It was a very bad thing. This is why I'm in the whole IAL stuff.

I had recommended Mr. Pelossi as a trustee. Then I had to go back and say to my clients and friends that \$1.3 million had been stolen. Listen a moment. Think about what your first thought would be: is that true, or is he involved? Is he so stupid that he recommended such a trustee? So I had no other choice than to lay a criminal case against Mr. Pelossi to prove to all of them that it was true.

Mr. Thomas Mulcair: This is my next question, Mr. Chairman.

[*Translation*]

Can Mr. Schreiber tell us approximately when he was interviewed by the RCMP? By whom exactly, if possible? And regarding what subject matter.

[*English*]

Mr. Karlheinz Schreiber: Now I have to be very careful. On the Airbus matter, I was never interviewed by the RCMP.

Mr. Thomas Mulcair: You have never been interviewed by the RCMP on the whole Airbus thing.

Mr. Karlheinz Schreiber: No.

Mr. Thomas Mulcair: That's very important information. Thank you.

One other question we have for you is getting back to the question that was asked to you last Thursday. Who, other than the ones we've already spoken about, are the people—there's a list of 10, apparently, from your accounts, from what was deposed in Germany—who have been the object of your largesse over the years? Are you willing to provide this committee with the names of all people, and all sums involved, who have received money from you over the years?

Mr. Karlheinz Schreiber: Again, I did not get this question right.

Mr. Thomas Mulcair: This is a question that was asked at the same time last week while you were here, just after the 1305 time stamp. It was asked last Thursday. We're going to have time to meet again, but I did ask you that question specifically.

Mr. Karlheinz Schreiber: Perhaps you can repeat it.

Mr. Thomas Mulcair: Who else did you give money to, Mr. Schreiber?

Mr. Karlheinz Schreiber: Nobody.

Do you mean in Canada, or where, or what?

Mr. Thomas Mulcair: In Canada. There were no other politicians, no other senior officials?

Mr. Karlheinz Schreiber: No.

The Chair: Thank you very much.

We're going to complete this now with Mr. Hubbard, for five minutes.

Hon. Charles Hubbard: Thank you, Mr. Chair.

I guess, Mr. Schreiber, we meet today under better circumstances. You had a better night and some time to get ready, and you come to us with so many documents that probably we'll have difficulty as members, in the next few days, to look at all the presentations you have made.

Mr. Schreiber, Harrington Lake has become a very important part of what I've asked about, and I was amused this morning to hear that in June 1993 you visited Harrington Lake, and a car came to pick you up. Whose car was it?

• (1300)

Mr. Karlheinz Schreiber: The Prime Minister sent it to me.

Hon. Charles Hubbard: Why do you think Prime Minister Mulroney, in the last few days of being Prime Minister, would call you to go to Harrington Lake?

Mr. Karlheinz Schreiber: I thought I had explained this. The reason for the meeting was that Fred Doucet asked me whether I would be prepared to help Brian Mulroney, because he was in financial trouble. Then Mr. Doucet arranged for the meeting and told me I would get a call. I got the call and there was a telephone number from the switchboard, or whatever, that a limousine was going to pick me up then if it was convenient. I said yes, so I was picked up. I didn't even know where Harrington Lake was. I was brought back as well.

Hon. Charles Hubbard: So he saw you as a source of money for his problems.

Later in the affidavit, with a later time when Mr. Mulroney was at Harrington Lake, you were in certain difficulty in terms of remaining in Canada. You talked today about being a very political person. You saw that in 2005-06 Brian Mulroney had come back on the scene, that he was in great friendship with Stephen Harper, the Prime Minister. The two of them had been successful in being the new government in this country. And with that, you decided somehow to write a letter to explain your situation with Mr. Mulroney that would be considered by the present Prime Minister, Mr. Stephen Harper, and that somehow the two of them could make a deal by which you could overcome some of your judicial problems in terms of your remaining as a Canadian citizen.

Was that your impression?

Mr. Karlheinz Schreiber: The impression was that I strongly believed when the Conservatives came back to power in 2006 that they would do now what they had been asking for, for 12 years, to track down the mess from these horrible Liberals, the vendetta, the witch hunt, and all the stuff that was done by the Liberals against Mr. Mulroney and me. I mean, the expectation is not wrong, when you look at history and you see how many scandals in the world decided election results in the future. If I had been Prime Minister and I had believed this, I would have haunted the Liberals for the next five years.

Then I found out the problem is with them. They don't want an inquiry.

Hon. Charles Hubbard: With this, you were really disappointed in somebody who you thought had been your friend.

Mr. Elmer MacKay had helped with that letter. Yesterday, Mr. Schreiber, in the House we heard his son, Peter MacKay, mislead the

House with his own age at the time he worked in Germany. I hope the record will be corrected today.

But when you had this relationship with Mr. Elmer MacKay and he worked as an intermediary between you and Mulroney and the present Prime Minister, you felt you'd really been done in, in terms of your friendship. Is that correct?

Mr. Karlheinz Schreiber: Yes.

Hon. Charles Hubbard: Today, when you appear before our committee, you see that in order for you to obtain your vision of justice, you hope that what we do as members of Parliament is to illuminate this to Canadians and to show your side of the story to our nation. Is that correct?

Mr. Karlheinz Schreiber: Yes. I have recognized that all the scandals we had around Air India and a few others were all arranged by the Liberals and caused by the Liberals, and the Gomery.... I mean, when wrongdoing is going on, clean it up. I think, very much so, that this would have been.... When you look at this, you can find this in the letter very much what Mr. Harper promised, and why an independent director of prosecutions should be there, because these horrible Liberals.... I believed that because Mr. Mulroney wanted to finance my lawsuit in Alberta.... He spoke to my lawyer. There are many, many other stories. I will not bore you with this today. I believed, but then I felt betrayed—another huge lie.

I'm not hesitant to tell you what I told Mr. Mulroney. To make it very clear to everybody here in the country, I said to him in the letter, "...I was embarrassed when people...called you: 'Lying Brian'".

Today, Mr. Mulroney—I have to tell you, Brian—if the lie itself looks for a proper label, it will choose your face and your name.

Do you want to hear any more on that?

• (1305)

The Chair: Thank you, Mr. Schreiber.

On that light note, we're going to bring the proceedings to a conclusion. We have a lot of material, and we thank you for being forthright with the committee and for providing us with information.

Order, order, please. Quiet, please. We have to hear this.

Under the document under which we are meeting, the warrant, as you know, we require you until the committee formally advises you that you are no longer required for our proceedings. We certainly will require you to appear again on Thursday, December 6, at 11 a.m.

Do you know what, fellows? I've got to tell you that I'm trying to speak with the witness. You really have to give me some latitude.

Mr. Mike Wallace: On a point of order—

The Chair: Just give me some latitude, Mr. Wallace. Just allow me to speak.

Mr. Mike Wallace: Well, you're making the decisions on behalf of the committee.

The Chair: We'll speak. We're going in camera, Mr. Wallace.

Mr. Schreiber, we will require you on Thursday, December 6. We are going to make every effort. Because of the volume of the documents, the members will have an opportunity to review them. When we go in camera they're going to determine how much time we will need, and we will give you a better timeline of what happens after Thursday as soon as we can.

Mr. Karlheinz Schreiber: Okay, thanks.

The Chair: So at this time, thank you kindly to all honourable members.

Thank you, Mr. Schreiber and Mr. Auger.

I will suspend this meeting and we'll clear the room, please.

[Proceedings continue in camera]

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