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Chair

Mr. Paul Szabo

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• (1530)

[English]

The Chair (Mr. Paul Szabo (Mississauga South, Lib.)): Order, please.

Good afternoon, colleagues. This is the 15th meeting of the Standing Committee on Access to Information, Privacy and Ethics. The orders of the day are pursuant to Standing Order 108(2), the study of the Mulroneys Airbus settlement.

Colleagues, as you know, we have three witnesses today, and as was agreed upon at our last in camera meeting at the end of January, we will be flexible with our time to make sure we have equitable distribution of questions to all parties, and we will possibly go a little over our 5:30 p.m. time if necessary in order to achieve that equity. So I ask for your indulgence as we move through the witnesses.

I have a very quick update on a couple of important matters—or maybe just one matter.

First of all, on January 16, as you will know, I wrote both to Mr. Schreiber and to Mr. Mulroneys with regard to outstanding requests for information that they undertook in their testimony to provide the committee. On the 16th specifically, I wrote to Mr. Pratte with regard to Mr. Mulroneys's undertakings. On January 28 we still had not received the information. I reminded him in a letter with the details of what we need on the international trips to China, Russia, France, and the United States—who he met, at what times, who accompanied him, etc., the full details.

On February 8 we still had not received a response from Mr. Pratte. The clerk sent a message to Mr. Pratte to again remind him of the undertaking to provide that information, and yesterday Mr. Pratte responded to that message indicating that Mr. Mulroneys was travelling and could not be reached, and that Mr. Pratte himself would be in court for most of the week but he would do his best to accede to our request.

I simply wanted the committee to know that this is vital information in terms of the work done by Mr. Mulroneys with regard to the payments made to him, and we will take all necessary steps to get the information for the members.

Our first witness today is the Honourable Marc Lalonde, who is a privy councillor and was a member of Parliament from 1973 to 1984. During this time he served as Minister of Finance, Minister of Energy, Mines and Resources, Minister of Justice and Attorney General of Canada, Minister of State for Federal-Provincial Relations, Minister Responsible for the Status of Women, Minister of Amateur Sport, and Minister of National Health and Welfare.

Good afternoon, Mr. Lalonde.

Hon. Marc Lalonde (As an Individual): Good afternoon.

The Chair: We thank you kindly for accepting our invitation to appear before us today.

Mr. Lalonde, as a privy councillor, I expect that you will recall the rules, procedures, and traditions of the House of Commons, and in particular you will recall the general expectation that witnesses appearing before the committee testify in a truthful and complete manner. Do you wish to proceed under this understanding, or would you feel more comfortable by being formally sworn in by the clerk of the committee?

Hon. Marc Lalonde: My commitment as a former member of Parliament and as member of the Privy Council—

The Chair: Thank you. We'll proceed under the understanding.

Do you have any questions before we proceed, sir?

Hon. Marc Lalonde: No.

The Chair: I understand you have a brief opening statement to make to the committee.

Hon. Marc Lalonde: Yes.

The Chair: That's wonderful. I invite you now to address the committee.

[Translation]

Mr. Marc Lalonde: As the Chair mentioned, I left politics in 1984 to return to private life. In October of that year, I became a partner at Stikeman Elliott, a major Canadian law firm, specialized in commercial law and international commercial arbitration. In 2003, I became senior counsel at the firm, and in July 2006, I retired. Since then, I have been working on my own, exclusively on international arbitration.

A few weeks ago, I received your invitation to appear before the committee, and I gladly accepted. There are, however, two things I must address. The first—to avoid any unnecessary questions—is that I know nothing more about the relationship between Mr. Mulroney and Mr. Schreiber than what has already been said before this committee and what has appeared in the media from time to time. Therefore, I have no information that would be relevant to the issues before this committee. The second—the lawyers here will understand this one—is that I am bound by my profession's code of ethics, in particular as concerns my clients' confidential information. My clients may speak freely about the work I do for them, but I do not have the same freedom, unless I receive their express authorization.

Nevertheless, I do not believe this should be an issue today, at least as concerns the Thyssen armoured vehicles. I believe that Mr. Schreiber has already told you that I worked on this matter for him around 1992. That said, I am pleased to answer your questions. I know you are short on time, so I will try to give you concise and accurate answers.

● (1535)

[*English*]

The Chair: Thank you, Mr. Lalonde.

I understand your statement. Should a question be posed to you that you believe you cannot or should not answer for reasons...I certainly will hear your argument and make a ruling at that time.

I want to move to questioning now.

Mr. Thibault, please.

[*Translation*]

Hon. Robert Thibault (West Nova, Lib.): Mr. Lalonde, welcome to the committee and thank you for accepting our invitation.

My first question is about your professional relationship with Mr. Schreiber and the payment arrangements. Did he pay you in cash, by cheque, by bank transfer directly to you or through your law firm?

Mr. Marc Lalonde: Mr. Schreiber hired me as a lawyer and to represent him as a lobbyist. For each case or file, my fees were calculated at my regular hourly rate. The invoices were sent by my firm, Stikeman Elliott, and were paid by cheque or bank transfer, as is normally done. In 22 years at Stikeman Elliott, I do not think I ever saw a cheque from a client. They were sent directly to the accounting department. We heard about it only if the account was not paid.

Hon. Robert Thibault: Mr. Mulroney told the committee that he received cash payments from Mr. Schreiber—he said that was how Mr. Schreiber did things—but you were able to find another method of payment that was somewhat more usual in your relations with the same client?

Mr. Marc Lalonde: I have no comment on that. I just know how it was done in my case.

Hon. Robert Thibault: When did you first meet Mr. Schreiber?

Mr. Marc Lalonde: He contacted me around 1987 about a private business matter. He then hired me for other matters, which were all private or business related, except the matter concerning Thyssen, which involved relations with the government. In all the other cases,

none of the work involved any level of government—federal or provincial.

Hon. Robert Thibault: Did you work on the Airbus or MMB files as part of your professional relationship?

Mr. Marc Lalonde: Neither Mr. Schreiber nor any of his businesses hired me to represent them regarding the Airbus affair or GCI.

Hon. Robert Thibault: And your professional relationship as a lawyer or lobbyist for Mr. Schreiber on the Thyssen matter ended in what year?

Mr. Marc Lalonde: Around 1985, after the government decided not to use a public tendering process, but to use the sole source method to award the contract to GM. It was the end of 1985. I worked between 1982 and 1985; perhaps in 1981, but definitely from 1982 to 1985.

● (1540)

Hon. Robert Thibault: You said “1985”, but did you mean “1995”?

Mr. Marc Lalonde: I apologize. The correct dates were from 1992 to 1995. Thank you for pointing out that mistake. From 1982 to 1985 I was working on other things.

Hon. Robert Thibault: The newspapers have mentioned several times that you posted \$100,000 bail for Mr. Schreiber in his extradition case.

Mr. Marc Lalonde: Could you repeat the question? I didn't understand.

Hon. Robert Thibault: A number of times, the media have said that you posted bail for Mr. Schreiber in his extradition case. I believe the amount was \$100,000.

Mr. Marc Lalonde: Yes, exactly. First of all, I would like to thank you for saying that I posted bail, and not that I paid bail. A Montreal newspaper said that I paid him \$100,000 in bail. I even heard an NDP member claim on television that I had paid \$100,000. I did not pay a cent. When an individual posts bail, he simply guarantees that the person in question will respect the bail conditions. The individual is required to pay only if this person does not respect the bail conditions.

In Mr. Schreiber's case, I never had a moment's hesitation. I have not paid a cent and I am sure that I will not have to pay a cent, because the purpose of the bail is to keep him from leaving the country. But Mr. Schreiber has been fighting for eight years to stay in the country, not to leave. I am not concerned about the bond I posted, and other people have done the same.

You may wonder why I did it. Mr. Schreiber and I worked together on several matters, for which he retained my services. When Canada received the extradition request, Mr. Schreiber decided to appeal it before the courts. The courts allowed him to remain free during his extradition case and set a very high bail, over \$1.3 million, if I remember correctly. Mr. and Mrs. Schreiber handed over all their Canadian assets, approximately \$850,000. They were about \$500,000 short. They then turned to acquaintances and friends to ask if they would agree to make up the difference. I did not hesitate to do so.

My primary reason was sympathy, something we do not often see in politics, unless things have changed drastically since my time. Mr. Schreiber was never accused of or charged with anything in Canada. I did not see why this man should stay in prison for purely financial reasons or because he did not have the money he needed to post bail. I have regularly renewed the bail since then, with no problems.

The Chair: Thank you.

Mr. Ménard, the floor is yours.

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Good afternoon, Mr. Lalonde. Thank you for being here and for being clear and concise.

What was your role in the contract with Bear Head?

Mr. Marc Lalonde: I had two roles. The first was to advise the company, around 1992, on legal proceedings that Thyssen Bear Head Industries had brought against the Government of Canada after the letter of intent, signed by three ministers of the Conservative government at the time, was not respected or acted upon.

I examined this matter and recommended that Bear Head hire Ian Scott, who is known as one of the best litigators in Canada, to take on the case because I am not a litigator myself.

When the government changed in 1993, I was asked to represent Thyssen to make representations to the Government of Canada. I told those in charge that there was no chance for success if they were hoping to obtain a sole source contract, and that their only chance for success would be through a public tendering process. They agreed to this condition, and all my efforts were directed towards government authorities, such as the relevant public officials, departments, or even the PMO. The goal was to get a public tendering process that would enable Thyssen and also GM or any other interested company to submit a bid.

So that was I was mandated to do. Unfortunately, I was not successful.

• (1545)

Mr. Serge Ménard: We all understand that the project was to build light-armoured vehicles.

Were you required to know the sales projections of where the light-armoured vehicles could be sold?

Mr. Marc Lalonde: I will admit that no, I was not. My only task was to try to convince the government to call for public tenders. As far as I know, it was to meet the needs of the Department of National Defence. I never heard talk of foreign markets during that time.

We can assume that, if this had worked, it would perhaps have been possible to sell internationally, but I never heard anything about that.

Mr. Serge Ménard: Were you aware that Mr. Mulroney's services had been retained to find potential buyers for that vehicle?

Hon. Marc Lalonde: Not until Mr. Schreiber tried to sue Mr. Mulroney over it. I believe that was last year. Before that, no. I heard about it in the papers, like you.

Mr. Serge Ménard: Did you know if Mr. Schreiber was in the habit of paying for some things in cash, except for basic necessities, of course?

Hon. Marc Lalonde: I was going to say that the only time I remember that happening was when my wife and I had dinner with him at Montebello. We brought our two grandsons, and Mr. Schreiber gave them \$10 to go play the ball machines in the hotel basement. Other than that, I never witnessed it.

Mr. Serge Ménard: I would like to know if your company's contract, which must be a typical contract, allows some lawyers with high-profile pasts to accept contracts on the side without putting the profits into the company's coffers.

Hon. Marc Lalonde: No, that is not allowed. I do not know if that is still the case, but in my time, the only exception was that we could sit on boards of directors and receive remuneration as a director.

Mr. Serge Ménard: This is a difficult question, but I would like you to answer if you can. Given what you know about these people, do you think that Mr. Mulroney was retained to do work in China, Russia, France and the United States?

• (1550)

Hon. Marc Lalonde: I do not have any valid information upon which to base a positive or negative answer. You are asking for my personal opinion, and that is all I can offer. I have to admit that I do not think my opinion is of any value. I can tell you that I never heard them talk about that.

Mr. Serge Ménard: Nevertheless, you did play an important role at the time. Relations with China at the time were not what they are now.

Hon. Marc Lalonde: They were better.

Mr. Serge Ménard: You said that relations with China were better at the time?

Hon. Marc Lalonde: Well, they were while we were in government, because after we recognized China, our relations with the Chinese improved considerably.

Mr. Serge Ménard: But that was five years after Tiananmen Square. Do you think Canada would have allowed the production of light armoured vehicles for export to China?

Hon. Marc Lalonde: Absolutely not. If I remember correctly, our NATO commitments and our agreement with the Americans on defence materiel would not have allowed us to sell anything to China.

Mr. Serge Ménard: Was it the same for Russia?

An hon. member: Yes.

The Chair: I am sorry, sir.

[English]

We have to move now to Mr. Mulcair, please.

[Translation]

Mr. Thomas Mulcair (Outremont, NDP): Good day, Mr. Lalonde.

In the December 5, 2007, edition of the *Halifax Chronicle Herald*, it was reported that you lobbied your former cabinet colleague, Jean Chrétien, directly. Is that correct?

Hon. Marc Lalonde: Of course, I would be pleased to submit my correspondence with Mr. Chrétien about that, if you like.

Mr. Thomas Mulcair: I would be glad to see it.

I would now like to ask you if you registered to engage in lobbying, as required by the law. Lobbying is a legal activity, but one must register. Were you registered to engage in legal lobbying in that case in 1995?

Hon. Marc Lalonde: Thank you for asking the question. I am pleased to answer that although my name does not appear to be on the registry, I did everything that could reasonably have been expected of me—

Mr. Thomas Mulcair: —except comply with the law.

Hon. Marc Lalonde: Let me answer, please.

Mr. Thomas Mulcair: Go ahead.

Hon. Marc Lalonde: I will respect your questions, and I would ask that you respect my answers.

Mr. Thomas Mulcair: Yes, but you said that you did everything you could, but you did not comply with the law.

Hon. Marc Lalonde: Let me answer.

Mr. Thomas Mulcair: I am waiting impatiently.

Hon. Marc Lalonde: If you want me to answer, you should not interrupt me.

Mr. Thomas Mulcair: We do not have much time, Mr. Lalonde. I just want to know whether or not you were registered.

[English]

The Chair: Order, please. Order!

[Translation]

Hon. Marc Lalonde: The more time you spend—

Mr. Thomas Mulcair: Go ahead, Mr. Lalonde.

[English]

The Chair: I'm enjoying this too, but the translators can't keep up with you. You're going a little too fast.

Please—question, answer.

[Translation]

Hon. Marc Lalonde: As soon as the Lobbyists Registration Act was passed, I took great care to register every time. In fact, I even registered when I did not have to, just because of my political past.

There was nothing secret about my work for Thyssen and Bear Head. I explained what that was about earlier. It was actually made public in 1986. There was an article in the *Globe and Mail* about it. Also, in 1987, an access to information request was submitted. I was asked if I would authorize disclosure of my communications, and I authorized it with no hesitation whatsoever.

The first time I heard that my name was not on the list was in December 2007. A reporter from the *Halifax Chronicle Herald* called me and told me that my name did not appear to be on the list. At the time, I was in Vancouver overseeing an important international arbitration case, and I did not have access to my files. I told him that I was unable to answer immediately, but that I was sure I was registered. I did not get back to my office until about 10 days later. I looked into the matter thoroughly, but could find no trace of having registered, which came as a complete surprise to me.

So I called up my old files and found that for November 23, 1993, there were two items on my agenda, one for Bear Head that said “lobbyist registration, one half-hour”, and another for Abbott Laboratories, a pharmaceutical company, that said “lobbyist registration, one quarter-hour”. I also tracked down our office’s time log—we always kept track of our time—and there was a notation for November 23 that said, “lobbyist registration, one half-hour.”

● (1555)

Mr. Thomas Mulcair: Thank you, Mr. Lalonde.

We do not have much time. I gave you plenty of time, but my question was quite specific. You were not on the list of lobbyists when you lobbied Mr. Chrétien, your former cabinet colleague, on Mr. Schreiber's behalf. Is that correct?

Hon. Marc Lalonde: But I did everything I was required to do.

Mr. Thomas Mulcair: Except register.

Hon. Marc Lalonde: Perhaps my secretary forgot to send the letter or—

Mr. Thomas Mulcair: Oh, so it was your secretary's fault.

I do have more questions, Mr. Lalonde, and we do not have much time. I appreciate your experience and the length of your answers.

Hon. Marc Lalonde: The public—

Mr. Thomas Mulcair: The public knows your answer to the first question, and we will now move on to the second, Mr. Lalonde.

How much money did you earn from Mr. Schreiber's companies or from Mr. Schreiber himself during the time you represented him?

How much money did Mr. Schreiber pay you in total?

Hon. Marc Lalonde: Including his companies?

Mr. Thomas Mulcair: Exactly. I thought I made that clear in my question.

Hon. Marc Lalonde: Between 1987 and 1998, I may have been paid about \$75,000, but that is just an approximate figure. I never added it up.

Mr. Thomas Mulcair: We can always get the documents from Stikeman Elliott. That is not a problem.

You said that you lobbied Mr. Chrétien without being registered as a lobbyist. You also lobbied John Manley, Doug Young and Roy McLaren.

Were you registered each time, for each of these individuals, or could there have been more oversights with respect to your registration?

Hon. Marc Lalonde: You just said that I was not registered, so what can I say?

However, I can tell you that I went through the process for all departments involved. If I remember correctly, those were Foreign Affairs, Industry, National Defence and International Trade.

Mr. Thomas Mulcair: Did you register every time? That is our question, Mr. Lalonde.

Hon. Marc Lalonde: At the time, we only had to register once. We wrote down the names of the departments we intended to lobby.

Mr. Thomas Mulcair: At the time, the law said that if a person intended to make representations to a public office holder, such as your former colleague, Jean Chrétien, in an attempt to influence the awarding of a contract, that person had to be registered. We have just established that you were not registered when you lobbied Mr. Chrétien. Were you not registered when you lobbied others either? Is that what you are saying? I do not want to put words in your mouth.

Hon. Marc Lalonde: Of course not. I only had to register once. Mr. Chair, I would be pleased to submit a letter I wrote to the office of the registrar of lobbyists about this so you can see the documents and the explanation given in the letter.

[English]

The Chair: Thank you kindly.

I'm now going to move to Mr. Van Kesteren, please.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Thank you, Mr. Chair.

Thank you, Mr. Lalonde, for being here.

My, you have a long and distinguished career, sir. What was read into the record isn't really complete. I read that in 1959 you were a special adviser to the justice minister in the Diefenbaker government; in 1967 in the PMO, adviser to Prime Minister Pearson; then you worked as principal secretary to Prime Minister Trudeau as well as those things. And then it continues on. After you retired, sir, you've.... As I said, it's pretty safe to say that you certainly know your way around here and you'd certainly know how things work in government.

I want to read these questions into the record, if I could. We are doing a study obviously on the Bear Head project, on the Airbus purchase, and how that affects Mr. Mulroney.

Do you have any evidence to offer this committee of any wrongdoing by any public official regarding the Bear Head project?

Hon. Marc Lalonde: No, I don't have any such knowledge.

Mr. Dave Van Kesteren: And I know these are repetitious, but we do want to read these into the record.

Do you have any evidence to offer this committee of any wrongdoing by any public official regarding the consulting agreement between Brian Mulroney and Karlheinz Schreiber?

● (1600)

Hon. Marc Lalonde: No.

Mr. Dave Van Kesteren: Do you have any evidence to offer this committee of any wrongdoing by any public official regarding the Airbus purchase by Air Canada?

Hon. Marc Lalonde: No.

Mr. Dave Van Kesteren: Do you have any evidence to offer this committee of any wrongdoing by any public official regarding the circulation of correspondence from the Privy Council Office to the Prime Minister's Office, with particular emphasis on the correspondence sent by Karlheinz Schreiber to the current Prime Minister?

Hon. Marc Lalonde: Absolutely not.

Mr. Dave Van Kesteren: Thank you, sir.

You have stated that you originally met Mr. Schreiber in a professional capacity and he hired you to perform legal services for him. You said this in, I think, *The Globe and Mail*, March 24. When did you start?

Hon. Marc Lalonde: I have already answered. Sometime in—I had better not make a mistake on the decade there—1987.

Mr. Dave Van Kesteren: Mr. Schreiber claims he told Mr. Mulroney when they met at Harrington Lake in 1993 that he had already hired you to lobby for Bear Head, and that comes out of the *Toronto Star*, April 19, 1996. When did Mr. Schreiber first hire you to lobby for this project?

Hon. Marc Lalonde: As I have mentioned, this would have been after the change of government, obviously, in 1993. I think you'll have to check the record, Mr. Chairman, to make sure I get the right decade.

Mr. Dave Van Kesteren: Mr. Schreiber told the committee that the Swiss bank account code-named MARC was set up at the end of 1993, and \$500,000 was transferred into it to make sure that you would work for him and for Thyssen, but that he, Mr. Schreiber, was later told that things had changed and he was not to use the account anymore. This is a quote taken from Mr. Schreiber's testimony on December 4.

Mr. Lalonde, can you tell the committee what work you did for Karlheinz Schreiber?

Hon. Marc Lalonde: On that particular file? I have already said in French. I advised Mr. Schreiber in 1992, when he was considering suing the Conservative government for not having proceeded with the project, and then I was retained on representations to various officials and ministers in the Liberal government to convince them that they should call a public tender for the supply of those light armoured vehicles made by Thyssen.

Mr. Dave Van Kesteren: Thank you, sir

Were you ever paid out of the MARC account?

Hon. Marc Lalonde: I don't have a clue. Frankly, we don't ask our clients from which bank account they take the money with which they pay us. My firm was paid by cheque or bank transfer, and I don't know.

Mr. Dave Van Kesteren: Can I ask you how much you were paid? Mr. Schreiber said on December 4 that half a million dollars was transferred into the MARC account. However, on November 29 he told the committee he had no idea how much you actually had been paid, but it wasn't half a million dollars. Can you tell—

Hon. Marc Lalonde: No, definitely not. It was probably not more than one-tenth of that. Mind you, in terms of the figure itself, if the public tender had been accepted and if the project had proceeded, \$500,000 in legal fees for a project of this kind, when you consider everything that had to be done, is not an outrageous figure. It would involve the purchasing of land, setting up of the corporate structure, financing, negotiations with government, negotiations with unions, and addressing environmental and tax issues. Any businessman will tell you a figure like this would not have been excessive.

Mr. Dave Van Kesteren: He liked to pay people in cash. Did he ever pay you in cash?

Hon. Marc Lalonde: No.

Mr. Dave Van Kesteren: I have one other question, and this is just to satisfy my own curiosity.

Mr. Schreiber, in testimony, made reference to the fact that we really have no idea of what goes on. When I started my questioning, I made reference to your long and distinguished career. Do you want to comment on that? I guess his statement led us to believe that government has absolutely no understanding of what goes on. Would you comment on that?

•(1605)

Hon. Marc Lalonde: I don't think I should be making comments on that.

Mr. Dave Van Kesteren: You've been at this for a long time.

Hon. Marc Lalonde: It could be a very long answer, frankly, and I don't think.... What do you want me to say?

Mr. Dave Van Kesteren: Is there any truth to a statement like that?

Hon. Marc Lalonde: That governments don't know what they are doing?

Mr. Dave Van Kesteren: That governments really don't know what's going on, that there are other forces at work.

Hon. Marc Lalonde: Frankly, I think politicians know things that businessmen don't, and businessmen know things that politicians don't. There are two solitudes that need to meet sometime.

The Chair: Thank you. I thank you kindly.

Mr. Hubbard, please.

Hon. Charles Hubbard (Miramichi, Lib.): Thank you, Mr. Chair.

When Mr. Schreiber appeared before our committee, Mr. Lalonde, and when Canadians saw him and heard the evidence he gave, many people didn't get a very good picture of what he represents. Was he credible? Was he honest? Was he reliable? Did he work

professionally in terms of what he did? When your name is associated with him, could you give the committee, briefly...?

We had a lawyer here last week with Mr. Mulroney's group. He divorced himself. He separated from the other important witness we had. But you're an important witness in terms of offering our committee your impression of Mr. Schreiber and his work and whether he was honest and straightforward. Or was he the slippery fellow some Canadians perceive him to be?

What was your impression of Mr. Schreiber?

Hon. Marc Lalonde: I'm sure there are various opinions about everybody, including me. But I can tell you that in 1987...so I have known him for about 20 years. He's never asked me at any time to do anything that would be improper, and I have never heard it reported that he had done something improper, except for what I've read in the press.

I can tell you my own experience. This man has been quite straight with me.

Hon. Charles Hubbard: I would assume that when you offered to support his bail, you felt an injustice was being done, that he should have his so-called "day in court" to be able to retain his Canadian citizenship or to at least not be shipped out of the country very quickly by our present government.

Hon. Marc Lalonde: As I said, every Canadian is entitled to his freedom, if the courts recognize it, which was the case. I've never believed that anybody should stay in jail purely for financial reasons and I've acted accordingly with some other people.

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

The Chair: Thank you.

Mr. Ménard, a brief question, and then Mr. Mulcair will finish the round.

[*Translation*]

Mr. Serge Ménard: Mr. Lalonde, you have answered our questions frankly and straightforwardly. However, the answer to one of the questions is still a little vague. You knew Mr. Schreiber. You have since learned that Mr. Schreiber himself admitted to paying \$300,000. The person who says he received the money claimed that the amount was just \$225,000. The money was paid, but there is no receipt, no written mandate, nothing.

Does that sound like the person you worked for legitimately, the person with whom your dealings were above suspicion and your transactions completely above board? I am sure that you, like most people, think that \$300,000 is a lot of money to give to a politician shortly after he leaves office. Everyone thinks that from the start and waits for some explanation of why they should not think that.

According to your description of Mr. Schreiber and what you knew about him, he seemed to be a businessman of considerable means who did things above board. Can you explain why he paid \$300,000 to that kind of man?

•(1610)

Hon. Marc Lalonde: As I said, the first time I heard about it was when Mr. Schreiber tried to sue Mr. Mulroney in Ontario. Messrs. Mulroney and Schreiber have already appeared before this committee and will do so again. You should ask them these questions, not me.

Mr. Serge Ménard: You did put up bail for him though. You did take on that commitment for him. And let us be clear about one thing: giving a former politician \$300,000 is not above board, but your other transactions with him—

Hon. Marc Lalonde: Mr. Mulroney said that there was nothing illegal about it. He himself said so. If you want a legal opinion, please come to my office and I will bill you.

Mr. Serge Ménard: I do not need to. However, it did not seem to surprise you to find out that he— Were you not surprised?

Hon. Marc Lalonde: Of course I was surprised.

Mr. Serge Ménard: Was that before or after you made such a major commitment?

Hon. Marc Lalonde: The first time I put up bail for Mr. Schreiber was in 1999, I think, and the rest was just to renew that. Listen, in this country, we have presumption of innocence. I should not have to tell you that, because you are a lawyer, a former criminal lawyer. So far, Mr. Schreiber has not been charged with anything in Canada, and he, like all citizens, has the right to be presumed innocent.

The Chair: Thank you.

Mr. Mulcair.

Mr. Thomas Mulcair: Thank you, Mr. Chair.

Mr. Lalonde, I would like to go back to the lobbying you did. What did you lobby John Manley about?

Hon. Marc Lalonde: The same thing I lobbied Mr. Chrétien about. I was trying to get a public request for proposals.

Mr. Thomas Mulcair: Did you and your client meet with Mr. Manley?

Hon. Marc Lalonde: Probably, yes.

Mr. Thomas Mulcair: Probably?

Hon. Marc Lalonde: I am almost sure of it, but I do not have the — You asked, so I will say “yes”.

Mr. Thomas Mulcair: What did you talk about, other than the request for proposals?

Hon. Marc Lalonde: We talked about the fact that Thyssen had a very high-quality product, very high-calibre. Some senior officers in the Department of National Defence had taken a close look at it and had praised it highly. In light of the situation—both GM and Thyssen had a product—it made sense to go ahead the same way we did when we were in government and we issued a request for proposals for F-18s and navy destroyers. In both cases, we issued requests for proposals.

Mr. Thomas Mulcair: Do you remember if Mr. Manley expressed reservations about meeting an arms dealer like Mr. Schreiber or someone like you, when you were not registered as a lobbyist? Did he ask you about that?

Hon. Marc Lalonde: At the time, I was with Jürgen Massmann, who headed up Thyssen BHI, and who was on the board of directors of Thyssen's parent company. He knew what he was talking about when it came to technical things a lot better than I did.

Mr. Thomas Mulcair: So now you remember that there was a meeting. You even remember who was there.

Hon. Marc Lalonde: Yes. Mr. Massmann was with me for nearly all of those meetings. If I went to a meeting, he was there. I already said that I had talked to people in the departments I mentioned.

Mr. Thomas Mulcair: We do not have much time, Mr. Lalonde.

Earlier, you said that all you did was post \$100,000 in bail when you signed the agreement. However, in the eyes of the law, that is the same as paying \$100,000, should the need arise.

Hon. Marc Lalonde: It is not the same as paying \$100,000, it is not—

Mr. Thomas Mulcair: I understand.

Hon. Marc Lalonde: It is not like paying \$100,000.

Mr. Thomas Mulcair: I understand what you are saying, but in the eyes of the law, it is the same.

I have a question for you. Have you ever had to post bail for anyone other than Karlheinz Schreiber?

•(1615)

Hon. Marc Lalonde: No, but I can tell you that I would have done the same for any one of my friends or clients in the same situation. I would do it again today. That is the beauty of being a private citizen. Once you leave politics, you can do whatever you want, as long as you obey the law, fulfill your contractual obligations and are at peace with your conscience.

Mr. Thomas Mulcair: That is exactly why we are here today, Mr. Lalonde. You and I have determined that the provisions of the law were not obeyed. We have to recognize—for we are elected representatives too—that once a person leaves politics and becomes a private citizen again, that person does have a slight advantage over other private citizens when he can call up a former cabinet colleague who has become Prime Minister. Do we agree on that?

Hon. Marc Lalonde: Of course.

[English]

The Chair: *Merci*, Mr. Lalonde.

That brings us to the end of the questioning. On behalf of the committee, I want to thank you kindly for coming. You have made a couple of undertakings to provide information to the committee. We will remind you of those in writing so there is no misunderstanding. You are excused, sir. Thank you kindly.

Colleagues, I want to move immediately to Mr. Alford. I'm not going to take a break at this time. We have three witnesses today and we just have to keep moving. Our next witness is appearing by video conference, Mr. Greg Alford.

Mr. Alford, can you hear me?

Mr. Greg Alford (As an Individual): Yes, I can.

The Chair: Thank you kindly.

Colleagues, let me explain to everyone why Mr. Alford is by video conference. As you know, we had ten witnesses to schedule in only three meetings. We had numerous changes at the last minute, and it required me to ask certain people to meet at a time when they had conflicts. Mr. Alford was one of them, and he agreed to accommodate us. So the reason he's by video conference is due to my scheduling needs rather than his desire to be by video conference. I want you to understand that clearly it was for our own purposes.

I thank you, Mr. Alford, for accepting our invitation and for accommodating us to meet our scheduling plans.

Mr. Alford was an aide to former premier Frank Moores in Newfoundland. He later worked in Ottawa at GCI, Government Consultants International, with Mr. Moores, who was the president. We understand Mr. Alford was a senior vice-president responsible for handling donations and fundraising dinner contributions, etc., at GCI and was also responsible for the Bear Head file.

Good afternoon, Mr. Alford.

Mr. Greg Alford: Good afternoon.

The Chair: Your name was submitted to me on December 15 as a priority witness. We thank you for accepting our invitation to appear today voluntarily.

I will now ask that you be sworn in. We've made arrangements. I understand there is a representative at your location with a Bible, and a clerk here will administer the oath.

The Clerk of the Committee (Mr. Richard Rumas): Good afternoon, Mr. Alford. Do you have the Bible in your hand?

Mr. Greg Alford: Yes.

The Clerk: Repeat after me, please: The evidence I shall give on this examination shall be the truth and the whole truth and nothing but the truth, so help me God.

Mr. Greg Alford: The evidence I shall give on this examination shall be the truth and the whole truth and nothing but the truth, so help me God.

The Chair: Thank you, sir.

The matter before us obviously is very serious, and we hope you can clarify and/or help us to better understand certain matters that have been brought before the committee.

As you know, it's our practice to advise all witnesses that refusal to answer a question is not an option. However, if you believe there is valid reason that a question not be answered, I will hear your argument and make a ruling. As a courtesy to the translators—and I don't think it's going to be a problem on video conference—I hope you won't speak too quickly, but I will give you time to fully answer questions that are posed to you.

Do you have any questions for me before we begin?

Mr. Greg Alford: No.

The Chair: Thank you.

Do you have an opening statement to make, sir?

Mr. Greg Alford: Yes, a very brief one.

• (1620)

The Chair: I invite you now to address the committee.

Mr. Greg Alford: The committee has invited me to appear as a witness and respond to questions relating to my time of employment at GCI.

I worked in a government relations firm that was owned by Frank Moores. We researched and monitored policy developments and regulatory activity of the federal government, with a particular focus on industrial policy and crown procurement projects.

In 1985, Mr. Moores merged his firm with a business similar, owned by Gerald Doucet. The new firm was called Government Consultants International, or GCI. In addition to the founding partners, the firm initially employed about six consultants and researchers. As the firm grew, the consultant and research group increased to about 12.

GCI provided services to Canadian and international clients who were interested in monitoring Canadian government policy, tracking and contributing to the policy process through procedures and presentations to forums such as the House of Commons committee process, tracking regulatory developments, and bidding on major crown projects. I worked in GCI, and my responsibilities included assisting clients in preparations for these areas.

That's a summary of my work at GCI. Thank you.

The Chair: Thank you very much, Mr. Alford.

We will now move to questions, beginning with Mr. Dhaliwal.

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Thank you, Mr. Chair.

Welcome, Mr. Alford.

First of all, were you aware Mr. Schreiber had retained the services of Mr. Mulroney to lobby on behalf of the Thyssen Bear Head project?

Mr. Greg Alford: No, I was not.

Mr. Sukh Dhaliwal: On November 21, 1994, Mr. Schreiber withdrew funds from the Britan account. The same day, he wrote in his daytimer, "Pierre NY" and "50 Britan".

On the same date, according to Mr. Schreiber's daytimer, he met with you at a New York hotel. What was discussed at this meeting? Could you tell the committee, please?

Mr. Greg Alford: Could you give me some more information about the location of the meeting you're referring to?

Mr. Sukh Dhaliwal: It's coming from Mr. Schreiber's diary. On November 21, it says that he met with you at a New York hotel.

Mr. Greg Alford: To the best of my recollection, that might have been an event that I attended on behalf of Thyssen for a group called Atlantic Bridge. It was an event that included government and industry—Canadian, U.S., and European. I think I was a representative simply attending the conference and speeches. I know Mr. Schreiber was an active participant in that. I was an audience member in the luncheon or dinner, whatever it might have been.

Mr. Sukh Dhaliwal: Do you recall Mr. Mulroney's name coming up at this meeting?

Mr. Greg Alford: No.

Mr. Sukh Dhaliwal: Two weeks later, on December 8, 1994, Mr. Schreiber met with Mr. Mulroney in New York at the Pierre Hotel. This is where the final Schreiber payment was made to Mr. Mulroney.

Then next day, December 9, 1994, Mr. Schreiber's daytimer notes a meeting with Marc, Fred, Greg, and Frank. Did the people at this meeting include you, the Honourable Marc Lalonde, Mr. Fred Doucet, and Mr. Frank Moores?

Mr. Greg Alford: I'm sorry, the event that I referred to earlier could have been in November or December of 1994. I remember attending an event in New York on behalf of the company. I can't remember the specific meeting that you're describing now.

Mr. Sukh Dhaliwal: But on or around that date, do you recall having a meeting with these four people that I mentioned?

Mr. Greg Alford: I've had meetings with the four people you've mentioned. I can't recall with certainty the specific meeting you're describing at this point.

•(1625)

Mr. Sukh Dhaliwal: Did you ever make any cash payments on behalf of GCI, Frank Moores, Gary Ouellet, Karlheinz Schreiber, or Bear Head Industries to any political parties, or to Fred Doucet or Mr. Brian Mulroney?

Mr. Greg Alford: No.

Mr. Sukh Dhaliwal: What can you tell us about the involvement of GCI in the Airbus purchased by Air Canada?

Mr. Greg Alford: GCI had no involvement. Airbus was not a client of GCI.

Mr. Sukh Dhaliwal: What can you tell us about the involvement of GCI with MBB?

Mr. Greg Alford: MBB was a client of GCI.

Mr. Sukh Dhaliwal: What can you tell us about the relationship between Thyssen, Bear Head, and GCI?

Mr. Greg Alford: Thyssen was a client of GCI.

Mr. Sukh Dhaliwal: So Bear Head and GCI had a relationship, then, or not?

Mr. Greg Alford: Bear Head was a wholly owned Canadian subsidiary of Thyssen.

Mr. Sukh Dhaliwal: So it means indirectly, because if GCI had a client relationship with Thyssen.... So now you're saying that Bear Head was directly or indirectly involved with GCI?

Mr. Greg Alford: Bear Head was a project with the company that Thyssen gave as the name of their Canadian project as they decided to proceed and endeavour to build a manufacturing facility in Canada and bid towards the Canadian armoured vehicle requirements.

Mr. Sukh Dhaliwal: So what do you know about Mr. Brian Mulroney's involvement with Bear Head Industries?

Mr. Greg Alford: He didn't have involvement in Bear Head Industries. Bear Head Industries was a Thyssen-owned company that was hoping to bid for the Canadian military vehicle requirements.

Mr. Sukh Dhaliwal: What do you know about Mr. Brian Mulroney's involvement with the pasta company?

Mr. Greg Alford: Could you help me understand what your question is? I'm sorry, I don't quite understand the meaning of your question.

Mr. Sukh Dhaliwal: What do you know about Mr. Mulroney's involvement with Spaghetismo?

Mr. Greg Alford: In about—I can't get the year right—1999, he visited a test installation of this project, and a presentation was made to him to demonstrate the technology. He had quite an interest in the raw product, which of course is pasta and a wheat-based product.

The Chair: Thank you very much.

I'm going to move now to Madame Lavallée, please.

[*Translation*]

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Thank you very much. It is not easy to testify via videoconference, and it is even harder with translation. We will try to make this as easy as possible.

Mr. Alford, you were Frank D. Moores' assistant when he was the Premier of Newfoundland and Labrador. You were a GCI shareholder from 1984 to 1988, and you were the vice-president of Bear Head Industries in Ottawa from 1988 to 1996. It would be fair to say that you were in the thick of the action we are talking about today, even though you did not play a leading role in it. At least, that is the impression that people around this table have.

I believe that you were aware of everything that happened, and you must have read the four books about these issues very eagerly. Did you read them?

•(1630)

[*English*]

Mr. Greg Alford: I've read some of them. I hope you don't ask me to quote....

[*Translation*]

Mrs. Carole Lavallée: No, I will not ask you to do that today.

You were the vice-president of Bear Head Industries. As such, you answered directly to Thyssen in Germany. Is that right? The chair was in Germany.

[*English*]

Mr. Greg Alford: I'd like to correct some of your introduction. I indeed did work with GCI, but I was not a partner in GCI.

In answer to your question now—where did I report on the Thyssen company Bear Head Industries—my line of report was directly to Germany.

[*Translation*]

Mrs. Carole Lavallée: Did you know Marc Lalonde, whose testimony you just heard a few minutes ago?

[English]

Mr. Greg Alford: Yes.

[Translation]

Mrs. Carole Lavallée: Had you met him while working on the Bear Head project?

[English]

Mr. Greg Alford: He provided legal counsel to Bear Head.

[Translation]

Mrs. Carole Lavallée: Had you met him before?

[English]

Mr. Greg Alford: I believe I met him in the context of his engagement as our legal counsel.

[Translation]

Mrs. Carole Lavallée: Did you know that he was working for Thyssen?

[English]

Mr. Greg Alford: I'm sorry; Bear Head Industries was owned by Thyssen. I met him through the Bear Head project.

[Translation]

Mrs. Carole Lavallée: Did you know that before today?

[English]

Mr. Greg Alford: I knew that Mr. Lalonde was the lawyer for Bear Head Industries, which was a Thyssen company; yes, of course.

[Translation]

Mrs. Carole Lavallée: Did you know that Brian Mulroney also worked for Bear Head or for Thyssen?

[English]

Mr. Greg Alford: No.

[Translation]

Mrs. Carole Lavallée: Yet you worked for Bear Head Industries from 1988 to 1996, when Mr. Mulroney said he was working for Thyssen.

[English]

Mr. Greg Alford: The distinction that I think is important for you to understand is that my line of report in Bear Head Industries was from my area of responsibilities, which were domestic projects, Canadian projects. The chairman of Bear Head Industries, as appointed by our German parent company, was Mr. Schreiber. Mr. Schreiber had a greater involvement in international projects.

I might have been called upon in these areas from time to time—there certainly was a desire in the Bear Head project, as it was envisaged, to manufacture and export into accessible markets—but my primary focus was to the domestic market.

[Translation]

Mrs. Carole Lavallée: Yes, but if Mr. Mulroney had needed promotional materials, would he not have had to ask you for them because you were the vice-president of Bear Head Industries in Ottawa?

[English]

Mr. Greg Alford: Mr. Schreiber was actually involved. If Mr. Schreiber needed materials, of course, they were readily available in the firm's offices and would be available to him. We're happy to distribute our promotional material to anyone.

I'm sure, within our campaign to introduce and make known the name of Thyssen and Bear Head Industries and the capability of our vehicles, that on many occasions we readily sent our equipment descriptions and catalogues and corporate qualifications to each and every member of Parliament, including all of the prime ministers at the time of our office's existence.

[Translation]

Mrs. Carole Lavallée: Mr. Schreiber said that sometime in the 1980s, Frank D. Moores told him that GCI would take care of Mr. Mulroney, who, when he was no longer Prime Minister, would work for GCI. That is what Mr. Schreiber told us on December 11, 2007. Is that true?

• (1635)

[English]

Mr. Greg Alford: I would have no knowledge of that.

[Translation]

Mrs. Carole Lavallée: As far as you know, did GCI, its shareholders or its employees offer anything to Mr. Mulroney?

[English]

Mr. Greg Alford: Absolutely not.

[Translation]

Mrs. Carole Lavallée: Thank you very much.

[English]

The Chair: Thank you.

We go now to Mr. Pat Martin.

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

Good afternoon, Mr. Alford. My name is Pat Martin. I'm a member of Parliament from Winnipeg, representing the NDP.

Welcome.

My questions, I suppose, will focus in and around Bear Head, as the others have.

What we do know is that at a certain stage, when a memorandum of understanding was signed with the Government of Nova Scotia and the federal government, a \$4 million bonus was paid out. Did that money go to GCI?

Mr. Greg Alford: No. And I'm not aware of what you describe, also.

Mr. Pat Martin: We've been given copies of the memorandum of understanding on that basis. I suppose it was Mr. Schreiber who would have been the lead lobbyist for Bear Head at that time. Is that your understanding?

Mr. Greg Alford: Let me clarify my earlier response. I'm certainly familiar with the understanding, the agreement that you describe. I had no awareness of any payments that you've described.

Mr. Pat Martin: I see.

During what years were you the president of GCI?

Mr. Greg Alford: About 1985 until 1987.

Mr. Pat Martin: I see.

Mr. Schreiber testified that Mr. Greg Alford was the senior vice-president and he handled all the donations, fundraising dinners and whatever what was.... He goes on to say, "he had cut the cheque for the Liberals in 1993 in the amount of \$10,000 from Thyssen Bear Head Industries".

Do you have any comment on what Mr. Schreiber testified under oath?

Mr. Greg Alford: Any donations that were made from Bear Head Industries were always done formally, with complete registration. That sounds like one of the annual fundraising campaigns that might have approached us. There was one from the Liberal Party called Laurier Club and there was another one from the Conservative Party, and they campaigned throughout every category of industry to contribute in support of their campaigns. So it was entirely a formal donation with receipts and a formal record.

Mr. Pat Martin: Did you not answer Mr. Dhaliwal that GCI didn't make any donations to any political party? I thought that was one of his questions.

Mr. Sukh Dhaliwal: That's exactly what I asked.

Mr. Pat Martin: So that's right.

Mr. Greg Alford: No, I didn't answer a question....

Don't confuse the two timeframes. With all respect, there are two timeframes. I was at GCI until 1988, and any involvement I might have had with coordinating donations was to ensure that in a firm like GCI you get invited to attend each and every fundraiser held by a riding association or a national party, a provincial party. So we simply tried to coordinate our participation in these events so that we could distribute what we could in support of the worthy cause of members of Parliament getting elected.

Mr. Pat Martin: And in 1993, then, you donated \$10,000 to the Liberal Party. Now, was that signed by Thyssen or Bear Head?

Mr. Greg Alford: That was from Bear Head Industries. That was to participate in one of the national events. I think there was a series of conferences held, and there were similar events along the way. Typically I would be in those events and see all my competitors there. It was certainly an appeal to industry at large.

Mr. Pat Martin: Which Liberal ministers would you have been lobbying post-1993 on behalf of Bear Head? André Ouellet?

Mr. Greg Alford: Mr. Ouellet was the minister who had interest in Thyssen, interest in possibly attracting of some of our activity into the industrial development initiatives for Montreal, yes.

Mr. Pat Martin: Which other ministers do you recollect meeting on behalf of Bear Head during that period?

Mr. Greg Alford: The main ministers of interest would have always been the ministers responsible for industry and then those for the regional area of ACOA and then Quebec, I guess—the economic development initiatives of Quebec as led by Mr. Ouellet.

On the defence side, of course, we would attend, as would everyone in the industry, the presentations where the defence minister would speak, and that was probably the main focus.

• (1640)

Mr. Pat Martin: Were you aware during 1993 and 1994 that Brian Mulroney was also lobbying on behalf of Bear Head?

Mr. Greg Alford: I'm sorry, no, certainly not within Canada.

Mr. Pat Martin: The parent company never advised you that there was another Canadian engaged to lobby on behalf of the Bear Head project as well?

Mr. Greg Alford: I knew everything about what was going on in Bear Head in Canada. My focus was Canada.

Mr. Pat Martin: Mr. Schreiber also mentioned that you and Mr. Moores had some property dealings in Chaffeys Locks. Does that have any meaning to you?

Mr. Greg Alford: Yes, it's my home town. Mr. Moores has a property on the same lake.

Mr. Pat Martin: I see. You and Mr. Moores seemed to enjoy extraordinary access to the Mulroney Conservative government. Were you aware of the close personal connection of Frank Moores in getting Brian Mulroney elected at the convention in 1983 in Winnipeg?

Mr. Greg Alford: Mr. Moores' role in the national campaign, in the leadership campaign, was absolutely public. So I was aware of it, as everyone who followed that might have been.

The Chair: That's it?

Mr. Greg Alford: He was one of many people.

The Chair: Mr. Wallace, please.

Mr. Mike Wallace (Burlington, CPC): Thank you, Mr. Chairman.

Thank you, Mr. Alford, for joining us today.

I have a number of questions, so I'll go relatively quickly. So I apologize for the expediency with which I'm trying to do this.

As I'm sure you're aware, Mr. Schreiber has alleged that at some point in late 1992 or 1993, Mr. Fred Doucet asked him to arrange for cash to be sent through GCI to a supposed lawyer of Mr. Mulroney's in Geneva, Switzerland.

Did you ever receive such a request from Mr. Doucet personally, for a cash—

Mr. Greg Alford: No.

Mr. Mike Wallace: No. Okay, thank you.

I'd like to clarify the timing and your involvement, because you moved from one project to the other. On the Bear Head issue, when you were at GCI, how much of your time was devoted to lobbying for Bear Head, or did that start after you left GCI?

Mr. Greg Alford: My commitment to Bear Head Industries started, I guess, at GCI. Yes, Bear Head was created while I was still working at GCI, and I suppose it was 25% of my time, 20% to 25% of my time.

Mr. Mike Wallace: Thank you.

As clarification of what you said earlier, you said your direct report...I think your answer to the question was to Europe or Germany, when you worked for Thyssen or the Bear Head project, but Mr. Schreiber was the president of the Canadian arm of Thyssen, I think you said.

So you did not report directly to Mr. Schreiber. You bypassed him and went to Germany. Is that correct?

Mr. Greg Alford: My boss was in Germany, but Mr. Schreiber was the chairman appointed by Thyssen for the Bear Head project. So product development and all of the corporate structures were administered and reported to Germany on a formal basis, and Mr. Schreiber played a role as a chairman and an official representative of the project.

Mr. Mike Wallace: GCI started lobbying for the Cape Breton Bear Head proposal, as you previously mentioned. Can you tell me when that actually started and when it stopped? Do you have any sense of that?

Mr. Greg Alford: The Bear Head project came from about 1985. Thyssen was one of the German companies to which the Canadian government campaigned for foreign investment, promoting the merits of investing in Canada. Thyssen had an interest at that time, as I understood it, in expanding their manufacturing in North America. The presentations by the Canadian government sounded very interesting to them.

The defence division was tracking the Canadian military's long-term project to acquire new vehicles, so Thyssen came to explore whether there was any possibility that they could bid on a Canadian project and have a chance of winning, because they recognized the domestic manufacturer already in place.

• (1645)

Mr. Mike Wallace: I'm sorry to interrupt, but can you recall when you were with Bear Head, Thyssen, whether you ended the relationship of that organization with GCI on lobbying for the Bear Head project at a certain point? Do you know when that happened?

Mr. Greg Alford: The relationship didn't end, but Thyssen took over its own representation in Ottawa by establishing a permanent office. We had professional salespeople with military backgrounds, as well as environmental engineers who came over for the various projects that were merging. My assignment was to come on staff and expand that office.

Mr. Mike Wallace: Mr. Mulroney, supported by Mr. Spector, who saw us last week, actually axed the Bear Head project at the end of 1990, I think. As VP of the Bear Head project, were you aware of that at the time? When did you roll that up? Did you understand what it meant that the Progressive Conservative government at the time had ended the project?

It went from Cape Breton. Then there was an issue of going to Montreal. When did that start to take a lobbying effort?

Mr. Greg Alford: On the event you refer to in 1990, the government asked Thyssen to find a way to proceed with its project in the absence of any formal participation in Canadian procurement. So essentially they were asking Thyssen to build a factory to manufacture in Canada for export.

Mr. Mike Wallace: So there would be no domestic customer.

Mr. Greg Alford: Yes. Thyssen had always said that if they could win and secure a portion of the Canadian requirement, they would proceed to invest independently in the manufacturing facility. A proposal was invited to describe how they might do it in the absence of that, where they would transfer technology, build the plant, and bring in manufacturing for one of their U.S. or European contracts to Canada without any Canadian business. We put that forward and it was declined.

Mr. Mike Wallace: The reason this committee is talking about this is to see if there is any evidence...to review the matters relating to the Mulroney Airbus settlement, which was settled by the previous Liberal government with the former Prime Minister Mulroney.

One of my basic questions is, do you have any evidence for this committee regarding any wrongdoing by any public official regarding the Bear Head project?

Mr. Greg Alford: No.

Mr. Mike Wallace: I have some questions that were brought forward by my friend.... We've heard about this pasta business—I can't even say the name of the company you created—Spaghetismo. What involvement did Prime Minister Mulroney actually have in this, and what involvement did Mr. Schreiber have in this?

Mr. Greg Alford: The company was Mr. Schreiber's. It was based on a piece of technology that he had developed and commercialized, or caused to be commercialized. It was quite a revolutionary cooking device that achieved very successful and rapid cooking of pasta, which is a difficult thing to do in the culinary world, in a restaurant environment. It cooked it very precisely and very quickly. Mr. Schreiber recognized its potential and commercialized it and commenced bringing it to Canada.

His vision was that it had tremendous potential to be a device that made pasta a more successful product. It's already a successful product, but a difficult product to do quickly. His vision was that it was the key to unlocking pasta in the food service industry in the casual and quick-service category, which is the largest.

It would use a lot of pasta, which is a wheat product. That's why it had a lot of interest.

The Chair: Thank you very much.

Very quickly, Mr. Alford, as a senior vice-president and former president of GCI, you would be very familiar with the financial statements of GCI, is that correct?

• (1650)

Mr. Greg Alford: No. Because it was a partnership, the partners handled all of the financial statements. I was an employee of GCI.

The Chair: Are you aware of GCI's having any revenue sources from Europe?

Mr. Greg Alford: Well, we spoke of Thyssen being a client. There were a few clients in the list, I suppose, that were European.

The Chair: Were there transfers from bank accounts in Liechtenstein?

Mr. Greg Alford: I have no knowledge of that.

The Chair: Who would have knowledge of that?

Mr. Greg Alford: I suppose the partners would. Mr. Moores is deceased, as I hope you're aware. It was a matter for the partners. Mr. Ouellet is also deceased.

The Chair: Did you know if Mr. Moores had a Liechtenstein bank account?

Mr. Greg Alford: No.

The Chair: Thank you.

Mr. Hubbard, go ahead.

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

Good afternoon, Mr. Alford.

Maybe I missed what you said, but you seemed to indicate—or at least it's what I heard—that GCI was not involved with the Airbus deal. Did I hear correctly? Is that true?

Mr. Greg Alford: That's correct.

Hon. Charles Hubbard: They were not involved.

Mr. Greg Alford: That's right. In our assessment, there was no activity of the federal government in the procurement. The procurement by Air Canada had no policy; it had no industrial policy initiatives that caused a bidder to offer manufacturing in regions of Canada the way a crown project or a defence project did. There was really no file. We would have been pleased to have them as a client, but they were not a GCI file.

Hon. Charles Hubbard: When you listened to other witnesses before this committee, or read the press on what they said, were you concerned that we were getting wrong information?

Mr. Greg Alford: I'm sorry, I don't know how to respond to that. Anybody from GCI always would have told you if Airbus was a client of GCI or not. I guess maybe it took you a while to ask someone from GCI whether they were a client.

Hon. Charles Hubbard: Mr. Schreiber talks about as much as \$20 million that disappeared along the way somewhere, and it did appear that GCI... In fact, when we asked Mr. Schreiber this, he said something to the effect that "I don't know who all the partners were".

You mentioned several of the partners. Who were the other partners that you worked with when you were employed by GCI?

Mr. Greg Alford: There were three partners in GCI. Mr. Moores and Mr. Doucet were the founders. The third partner, who joined about a year later, was Gary Ouellet.

Hon. Charles Hubbard: You also spoke in terms of your work with Bear Head. You seemed to be getting your orders from Europe. Mr. Mulrone seemed to indicate that he was getting money from Mr. Schreiber to do something similar to what you were doing.

Would your European contacts have notified you that there were more people than your consulting group working on this, that the former Prime Minister of Canada had been paid \$300,000 by Mr. Schreiber to do a similar activity to what you were doing? Were you at cross purposes? Did you know that Mr. Mulrone was also a lobbyist for the project?

Mr. Greg Alford: To my knowledge, I don't know if Mr. Mulrone had the involvement in the Canadian project. I was deeply involved in the Canadian project. I did not have responsibility for

international projects. Mr. Schreiber of course, as our chairman, had the freedom to proceed as he wished in international areas.

Hon. Charles Hubbard: With the project you were putting forward for Bear Head...the M113s were a competitor to that project. You had hoped to overcome—

Mr. Greg Alford: No. In fact, I would suggest that the M113s were approaching 40 years—they'd now be 50 years old in design—and so it was that aging fleet within the Canadian army, and all armies, which were many—numerous U.S., European armies—that was the opportunity within the market to replace those armoured personnel vehicles.

• (1655)

Hon. Charles Hubbard: And you were being told by your Canadian armed forces here that they were satisfied with the refitting that was being done in Montreal and other locations, that rather than buying new ones they were refitting the M113s, which they've done. Is that not correct, Mr. Alford?

Mr. Greg Alford: The Canadian Department of National Defence has done a variety of things in the vehicle area. I think they did try some life extension, and they probably still have in service M113s. As a vehicle gets old, it becomes very difficult to keep it running. It has a limited weight capacity. The difficulty with M113s was their ability to carry the necessary armour that was desired to protect the soldiers.

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

The Chair: Thank you.

Madame Lavallée, s'il vous plaît.

[Translation]

Mrs. Carole Lavallée: You worked closely with Mr. Schreiber, who headed up your company. According to your resumé, you worked with him several times and for several companies. You said that you knew about all of the people who worked as lobbyists on the Bear Head project. Is that correct?

[English]

Mr. Greg Alford: I was aware of everyone involved in the Canadian project. If there were people involved in international projects, I would not necessarily be aware of that—

[Translation]

Mrs. Carole Lavallée: Okay.

[English]

Mr. Greg Alford: —although Mr. Schreiber would.

[Translation]

Mrs. Carole Lavallée: In that case, Mr. Alford, can you explain why, in a letter dated February 3 and made public last week, Mr. Schreiber denied the fact that Mr. Mulrone worked internationally and claimed that he worked as a lobbyist in Canada?

Did that take your breath away, or just your voice?

[English]

The Chair: Mr. Alford, did you hear Ms. Lavallée's question?

Can you hear me now, sir?

Mr. Greg Alford: I can hear the question. Can you hear me?

The Chair: Madame Lavallée, quickly repeat your question.

[Translation]

Mrs. Carole Lavallée: You told us that you knew about all of the people working as lobbyists on the Bear Head project in Canada, so can you explain why, last week, Mr. Schreiber publicly stated that the mandate he gave Mr. Mulroney had nothing to do with international representations, just representations in Canada?

[English]

Mr. Greg Alford: I have no knowledge of that. I'm sorry, I can't explain someone else's comment.

[Translation]

Mrs. Carole Lavallée: But it was Mr. Schreiber, with whom you worked closely.

[English]

Mr. Greg Alford: Yes, of course. Mr. Schreiber was also at the centre of the Bear Head initiative.

[Translation]

Mrs. Carole Lavallée: So you are telling me that Mr. Mulroney did not make any representations for Bear Head in Canada? Can you say this beyond a shadow of a doubt?

[English]

Mr. Greg Alford: Not to my knowledge.

[Translation]

Mrs. Carole Lavallée: Thank you very much.

[English]

The Chair: Mr. Martin.

Mr. Pat Martin: Thank you.

Mr. Alford, what relationship did Fred Doucet have with GCI? I know his brother was a principal director of GCI, but what relationship did Fred Doucet have with the company?

Mr. Greg Alford: None that I'm aware of.

Mr. Pat Martin: Was he a regular visitor to your firm?

Mr. Greg Alford: Not really.

Mr. Pat Martin: Did he arrange meetings for GCI in his job as chief of staff or adviser to Brian Mulroney?

Mr. Greg Alford: No, nor did GCI seek them.

Mr. Pat Martin: It seems GCI had a great deal of dealings with the Mulroney administration. It must have done very well during those years. You say you did not see the balance sheets of the company in your capacity as vice-president or president.

Mr. Greg Alford: The company was owned by its partners. Those were their balance sheets.

Mr. Pat Martin: You say that Airbus was not a client of GCI. Was Airbus a client of Frank Moores?

• (1700)

Mr. Greg Alford: It was not, to my knowledge.

Mr. Pat Martin: So the large commissions per airplane paid out by Airbus—the illegal commissions—you don't believe went to Frank Moores or GCI?

Mr. Greg Alford: No.

Mr. Pat Martin: What was your main source of revenue in those days? Who were your productive clients? Who was on your A-list of clients at the time?

Mr. Greg Alford: Well, I'm sure you don't expect me to detail a list of clients, but suffice it to say that for any project in Canada that would have an interest in it, people who would wish to position themselves in bidding and communicating their own proposals within the environment of Ottawa would be interested, and so we had projects that were, on behalf of engineering firms, pursuing opportunity within CIDA; on behalf of energy firms, monitoring energy policy development; on behalf of construction firms, looking for the opportunity to do privatization projects in airports. That was the type of client we represented. We typically represented some, and we had four or five competitors that would be representing their competitors in each case.

Mr. Pat Martin: I'll bet not everybody had such good access to the PMO.

Mr. Greg Alford: I would suggest to you that access to the PMO is not that valuable in promoting your business to Ottawa.

The Chair: Mr. Alford, that concludes our questioning for you. We thank you very much for appearing before us, and you are now excused, sir.

Mr. Greg Alford: Thank you.

The Chair: Colleagues, we're going to move immediately to Mr. Doucet. I anticipate we are going to be going over the normal meeting time by 15 to 20 minutes.

Our final witness is Mr. Doucet, who was the senior adviser to former Prime Minister Brian Mulroney and was chief of staff when Mr. Mulroney was leader of the official opposition. In his role as senior adviser to the Prime Minister, Mr. Doucet was responsible for international initiatives and summits for the Office of the Prime Minister.

Since leaving government in 1988, he's carried on business under the name Fred Doucet Consultants International.

Good afternoon, Mr. Doucet.

Mr. Fred Doucet (As an Individual): Good afternoon.

The Chair: On December 15, it was suggested to us that you be a priority witness. We thank you for agreeing to appear before us today voluntarily.

I would now ask the assistant clerk to swear you in, sir.

The Clerk of the Committee (Ms. Erica Pereira): Raise your right hand and repeat after me: The evidence I shall give on this examination shall be the truth, the whole truth, and nothing but the truth, so help me God.

Mr. Fred Doucet: The evidence I shall give on this examination shall be the truth, the whole truth, and nothing but the truth, so help me God.

The Chair: Now, you heard the instructions I gave to the previous witness, so I will not repeat them. Of course we look forward to your testimony.

I understand that you have an opening statement of about 10 minutes or so. Time is prime, but I think it's extremely important that we take the time to hear what you have to say to the committee and to Canadians.

I invite you to proceed now.

Mr. Fred Doucet: Thank you, Mr. Chairman, for the invitation to appear today.

I will begin my presentation with a brief personal background, followed by an overview of the business interactions between me, Mr. Karlheinz Schreiber, and the Right Honourable Brian Mulroney. I will conclude by addressing specific false statements made by Mr. Schreiber in regard to or involving me.

I was the chief of staff to Mr. Mulroney when he was the Leader of the Opposition during the period 1983 to 1984. I served as a senior adviser to Prime Minister Mulroney from September 1984 until May 1987. I was chairman of the organizing committee for international summits from May 1987 until August 1988.

I incorporated FDCI Incorporated in the fall of 1988. I was at that time the sole officer, director, and shareholder of that company. I carry on business under that corporate name today.

Contrary to allegations made by this committee, made at this committee and in the press, I have never been an officer, a director, a shareholder, and/or an employee of a company known as GCI, Government Consultants International Inc., —at any time.

To the best of my recollection, I met Karlheinz Schreiber for the first time late in 1988. I was registered as a lobbyist for Bitucan Holdings Limited, as well as Bear Head Industries Limited, in October 1989—and after this discussion, I will provide copies of these lobby registration documents to the clerk of the committee. In that capacity, my company assisted Mr. Schreiber in his efforts to establish in Canada a manufacturing facility for military vehicles.

It is alleged by Mr. Schreiber that I set up certain meetings between myself and Mr. Mulroney in 1993 and 1994. I have no recollection that I had any role to play in setting up meetings between Mr. Mulroney and Mr. Schreiber that took place on June 23, 1993, and December 18, 1993.

I do specifically recall that I did arrange for the two of them to meet at Mirabel airport in late August 1993, and in New York on December 8, 1994. Furthermore, it is also my recollection that it was Mr. Schreiber who requested both of those meetings. Mr. Schreiber requested the August 1993 meeting to discuss a possible retainer-consultancy relationship with Mr. Mulroney in the promotion of Thyssen military vehicles in the international area. I was not present at this August 1993 meeting.

In regard to the meeting in New York, I was one of a number of guests invited to attend a reception for Elmer MacKay and his wife on the occasion of their recent wedding. The reception was held at the Pierre Hotel in New York City. Mr. Mulroney and Mr. Schreiber were also in attendance.

At the request of Mr. Schreiber, I arranged for him to meet with Mr. Mulroney on that occasion. I was in attendance for the meeting between the two of them, which lasted approximately one to one and

one-half hours, at the hotel in Mr. Schreiber's room. At this meeting, Mr. Schreiber provided written materials to Mr. Mulroney. The two of them discussed various matters involving Mr. Mulroney's ongoing consultancy work that he had undertaken in the international arena in regard to the promotion of Thyssen military vehicles.

• (1705)

Mr. Mulroney reported on the meetings he had had with the presidents of Russia and France and the Chinese leadership, and his view that these countries, being members of the P5 group—that is, China, Russia, U.K., France, and the U.S.—could play an important role in the United Nations peacekeeping initiatives, where the use of Thyssen military vehicles might be very appropriate.

It is my recollection that Mr. Schreiber appeared to be quite satisfied with the report and the comments made to him by Mr. Mulroney. At the end of the meeting, Mr. Schreiber handed Mr. Mulroney an envelope, indicating that it contained a payment for services and expenses.

Over the course of the next five years, 1995 to late 1999, I have no specific recall of any direct contact with Karlheinz Schreiber except for a phone call from him, in November 1995, alerting me that he had learned of a letter being sent from the justice department of the Government of Canada to the Swiss authorities relating to Airbus matters.

Mr. Schreiber alleges that I arranged a meeting for him and Mr. Mulroney in February 1998 in Zurich. I have no recollection that I had any role to play in arranging that meeting.

In the fall of 1999, I watched the *fifth estate* program dealing with Karlheinz Schreiber, among others. I found that program troubling because of a number of inaccuracies and innuendoes that were reported.

At the suggestion of a mutual friend, I invited Mr. Schreiber and his wife to visit with me and my family at my home in Ottawa on December 26, 1999. During that time, he and I discussed a number of recent events, including the concerns we both had regarding the inaccuracies reported in the *fifth estate* program. He also indicated to me that he was planning a lawsuit against the *fifth estate* program. We agreed to meet in the near future to discuss these matters further.

We met again in January 2000 in Toronto, while I was attending meetings in that city. We continued our discussions that began on December 26, 1999, including the agreement that he had with Mr. Mulroney.

I reported to Mr. Mulroney on my discussions with Mr. Schreiber, with Mr. Schreiber's knowledge and approval. I suggested to Mr. Mulroney that I meet again with Mr. Schreiber to present in writing what had been the mandate as it had been described to me by Mr. Schreiber himself.

I met again with Mr. Schreiber in my office in Ottawa in early February 2000, where I presented him with a written statement on the mandate, consistent with what he had represented it to be, and on which Mr. Mulroney concurred.

In this draft mandate statement, I left open, by way of a blank, the identification of the companies responsible for the mandate and the fees to cover services and expenses. In his own handwriting, Mr. Schreiber wrote the following: “Bayerische Bitumen-Chemie”; “Kaufering”; and “Bitucan Calgary”.

I circled the two company names identified by Mr. Schreiber as the mandating companies. The balance of the handwriting on the mandate document is mine, recording the rest of the information given to me by Mr. Schreiber.

I asked him what the fee was. He told me that the fee to cover services and expenses had been set at \$250,000.

I will provide the committee with copies of this document at the termination of this meeting.

I have no specific recollection of any further contact with Mr. Schreiber subsequent to February 2000.

• (1710)

Mr. Schreiber has made a number of false statements involving me which I would like to address.

Mr. Schreiber alleges that I had a discussion with him in 1992 or 1993 about Mr. Mulroney needing money, and further, that I suggested he assist Mr. Mulroney financially. This statement is false. No such conversation ever took place.

Mr. Schreiber was quoted in the *Toronto Star* on December 14, 2007. He said that during the December 8, 1994, meeting at the Pierre Hotel in New York, I—meaning me—was peering out of the window and talking on my cell phone. That statement is false. During this meeting I was seated the full time directly across from Mr. Schreiber and next to Mr. Mulroney. Moreover, on December 8, 1994, fully over 13 years ago, I did not own or use a cell phone.

Before this committee on December 6, 2007, Mr. Schreiber alleged that I requested him to make a donation to Mr. Jean Charest for his 1993 leadership campaign. That is false.

In an affidavit sworn by Mr. Schreiber on November 7, 2007, and in testimony before this committee on December 6, 2007, Mr. Schreiber alleges that I had a meeting with him at the offices of GCI sometime in late 1992 or early 1993. He alleges that I asked him to speak to Frank Moores to request that Mr. Moores send an unspecified amount of GCI money to Mr. Mulroney’s alleged lawyer in Switzerland. Furthermore, Mr. Schreiber also flippantly alleges before this committee that I may have been trying to obtain money for myself by using the alleged “Mulroney lawyer” in Geneva.

Since this alleged event never occurred, these statements made by Mr. Schreiber are false. I did not know any lawyers in Geneva, Switzerland, or indeed anywhere else in that country. Mr. Mulroney has already testified that he did not have a lawyer in Geneva at that period of time. Furthermore, the principals of GCI at that time were Mr. Frank Moores and Mr. Gary Ouellet. Both of these gentlemen, who are now deceased, were long-time friends of mine. I would never have needed anyone to intercede for me on any matter with either of these two friends.

To reiterate, no such meeting ever took place, no such request was ever made. These allegations made by Mr. Schreiber are completely false.

Mr. Chairman, I trust I have provided the committee with the information pertinent to its mandate for the examination of this matter. I would like to distribute the mandate document, if I could. I have printed some for everyone.

• (1715)

The Chair: Thank you very much.

There is one quick question from the chair. Have you any idea how much money was passed over to Mr. Mulroney at the Pierre Hotel?

Mr. Fred Doucet: I have no idea.

The Chair: Did Mr. Mulroney ever say anything to you at any time about how much money he was receiving from Mr. Schreiber in these three meetings?

Mr. Fred Doucet: No.

The Chair: Thank you.

I want to move to Mr. Thibault, please.

Hon. Robert Thibault: Thank you, Mr. Chair.

Welcome, Fred Doucet.

Regrettably your brother wasn’t able to come here. I understand that he’s not well. I hope this day finds him better, and best wishes to him. I had the occasion to share the graduation stage at Université Sainte-Anne when he received his honorary doctorate.

You worked for Karlheinz Schreiber as a lobbyist after you left the Prime Minister’s Office and formed Fred Doucet Consulting. Is that correct?

Mr. Fred Doucet: Some time afterwards, yes.

Hon. Robert Thibault: Around what time?

Mr. Fred Doucet: I registered in the fall of 1989, if my memory serves me right. That registration will be distributed. I believe I got on the payroll in February 1990.

• (1720)

Hon. Robert Thibault: And when did that relationship end?

Mr. Fred Doucet: It ended in terms of pay in the fall of 1992. I kept an interest because I really believed in the program beyond that. But my services de facto had ended by the end of 1992.

Hon. Robert Thibault: After 1993 when Brian Mulroney left office, did you continue working in some capacity on this file?

Mr. Fred Doucet: No, not really. I say “not really” because Mr. Schreiber would call me periodically or ask me questions, and if I had the answers, I would provide them. But I was not on the payroll.

Hon. Robert Thibault: When you were on the payroll, how did you get paid? Did you get paid by cash, bank transfers to your company, cheques?

Mr. Fred Doucet: Totally by cheques. I would invoice and the cheques would come into the company. As the previous person giving testimony said, I wouldn't see these cheques, but they would come to the company. They were billed by the company and they would come to the company.

Hon. Robert Thibault: When you were at the Pierre Hotel in New York, is that when you discovered that Mulroney was being paid by cash?

Mr. Fred Doucet: I didn't discover it on that occasion; I didn't know. The statement that he made, as I said in my statement, was, "In this envelope is included your payment". There was no specification as to the type.

Hon. Robert Thibault: When you left the Pierre, did you accompany Mr. Mulroney?

Mr. Fred Doucet: To the best of my knowledge, we said goodbye at the hotel and I went off to the airport. I'm not sure if he was coming back to Canada or going somewhere else in the States.

Hon. Robert Thibault: So you didn't accompany him to the bank to deposit—

Mr. Fred Doucet: I have no recollection of that at all.

Hon. Robert Thibault: So you saw Schreiber giving the money. You heard—

Mr. Fred Doucet: I'm sorry—

Hon. Robert Thibault: No, the envelope.

Mr. Fred Doucet: The envelope, yes.

Hon. Robert Thibault: From Mulroney you heard a report, or you said that he gave a report.

You were intimately involved with the Bear Head project. Being a Cape Bretoner working in the Prime Minister's Office, you would have known about that project quite well.

Mr. Fred Doucet: I did not really know about that project quite well; I did not. I was aware it was ongoing, but my involvement in the PMO was really in the international area. I had no responsibility for domestic affairs.

Hon. Robert Thibault: But your brother and your good friends Mr. Ouellet and Mr. Moores were intimately involved with Karlheinz Schreiber all through that period, but you weren't aware of what the dealings were or what they were discussing?

Mr. Fred Doucet: No.

Hon. Robert Thibault: Were you aware of any dealings that GCI would have had with Airbus through those years?

Mr. Fred Doucet: Not at all.

Hon. Robert Thibault: When we look at the CBC website and places like that and see the distribution of funds from Karlheinz Schreiber and Giorgio Pelossi, who were managing the \$20 million in funds—I think it came to \$22 million to \$24 million in total—that money was going through an account and then to some subaccounts, and some through GCI, or companies would suggest that GCI partners send them money. Are you aware of those facts?

Mr. Fred Doucet: Not at all. Not at all.

Hon. Robert Thibault: You said that you did not organize that meeting at Harrington Lake?

Mr. Fred Doucet: I have no recollection of being involved in arranging that meeting, no.

Hon. Robert Thibault: But there's a difference between no recollection and not having organized it.

Mr. Fred Doucet: Well, I can't tell you I didn't. I just don't remember that I did.

Hon. Robert Thibault: Did you make any arrangements for the meeting at Mirabel?

Mr. Fred Doucet: I did.

Hon. Robert Thibault: You made the arrangements for that meeting. On what basis would you have organized that meeting? You were no longer employed at that time by Schreiber.

Mr. Fred Doucet: Yes, as I said before, Mr. Schreiber, having been a previous client, made a habit of talking with me. He knew I could get hold of Mr. Mulroney if need be. He asked me if I would and if I would set up that meeting—and I did.

Hon. Robert Thibault: Pardon my misunderstanding here, but I used to be in a very small business, and anybody who owed me \$7 had no trouble reaching me. If somebody owed me \$7, I was very available to them. But if somebody was going to give me \$100,000 in cash in an envelope, I can't imagine they would need an intermediary to find me. Schreiber's a client, Mulroney is his employee in this situation, he's working for him, and if he is to receive money, I find it difficult to believe he needed somebody—

• (1725)

Mr. Fred Doucet: I don't want to get into the particulars, because I don't know the particulars, but my understanding is that the meeting in Mirabel was the meeting that set out the particulars, or at least that's what was represented to me by Mr. Schreiber when he asked me to organize the meeting. He said he wanted to meet with Mr. Mulroney to suggest a retainership in the international arena, and could I arrange that meeting.

Hon. Robert Thibault: Did you ever contact Schreiber's offices and ask him to contact Brian Mulroney? Did you ever contact Schreiber? Did the contacts ever go the other way?

Mr. Fred Doucet: I'm sorry, I'm not sure I understand your question. Are you referring to this meeting?

Hon. Robert Thibault: Or subsequent meetings.

Mr. Fred Doucet: And your question is?

Hon. Robert Thibault: This time you're saying Mr. Schreiber contacted you—

Mr. Fred Doucet: Correct.

Hon. Robert Thibault: —and asked you to contact Mr. Mulroney.

Mr. Fred Doucet: Correct.

Hon. Robert Thibault: Were you the go-between the other way? Did you ever contact Schreiber to organize meetings for Brian Mulroney on these matters?

Mr. Fred Doucet: I have no recollection of that, no.

The Chair: Thank you kindly.

Madame Lavallée, s'il vous plaît.

[Translation]

Mrs. Carole Lavallée: Thank you very much.

Thank you, Mr. Doucet, for coming here to testify.

Karlheinz Schreiber wrote to Brian Mulroney on April 14, 2007. I will read in English what he wrote to him.

[English]

On March 20, 2007 your lawyer Kenneth Prehogan sent a letter to my lawyer Richard Anka Q.C.

He wrote: "Mr. Mulroney denies that he owes any money to Mr. Schreiber."

I have a different understanding and I recommend that you will ask your friend Fred Doucet helping you to refresh your memory concerning the money and what it was for.

[Translation]

That was on April 14, 2007, in a letter that was not supposed to be made public at the time. On May 8, 2007, in a threatening letter—it could be called a threatening letter from Mr. Schreiber to Mr. Mulroney—he said he was prepared to make public—he uses the word "disclose"—the fact that Mr. Mulroney received payments from GCI, Frank Moores, Fred Doucet, Gary Ouellet:

[English]

"that I was asked by Fred Doucet to transfer funds to your Lawyer in Geneva, (Airbus)".

[Translation]

Understandably, these letters were not intended for public release. In fact, they were private letters.

How can you explain the fact that Mr. Schreiber wrote letters last year saying that you knew how much money Brian Mulroney had received and that he was going to ask you to refresh Mr. Mulroney's memory?

Subsequently, in December, you issued a press release indicating that, no, that was false, all those insinuations and statements were false.

Mr. Fred Doucet: Me? I issued a press release?

Mrs. Carole Lavallée: You made a public statement. I do not know if it was through a press release or... It was a statement by Fred Doucet issued to the media.

Mr. Fred Doucet: Oh, yes, okay. I will try to answer you in French, in Acadian, if I may. If I make any mistakes, I apologize.

[English]

I have no idea why.

[Translation]

Mrs. Carole Lavallée: That is a good start, Mr. Doucet, a good start. Is that Acadian? Well, I speak Acadian.

A voice: Oh, oh!

Mr. Fred Doucet: The expression we use is "j'ai backé mon car". Let me back up.

I do not remember at all. I have no recollection of those events and I have nothing to tell you about the matter. I have absolutely nothing to tell you about the matter.

Mrs. Carole Lavallée: Oh, no? You were never told about those letters?

Mr. Fred Doucet: Yes, I saw the letters recently.

Mrs. Carole Lavallée: Recently, but not last year? Mr. Mulroney did not forward those letters to you?

Mr. Fred Doucet: No, not at all.

Mrs. Carole Lavallée: You cannot refresh Mr. Mulroney's memory concerning the money and what it was for?

Mr. Fred Doucet: The first time I heard about the money was when I met Mr. Schreiber on February 4, 2000, when he told me that the payments were in the amount of \$250,000.

● (1730)

Mrs. Carole Lavallée: The total amount of the payment was \$250,000?

Mr. Fred Doucet: For the three years of the mandate.

Mrs. Carole Lavallée: So you are giving us another figure. The figure we had was \$300,000. No one knew whether it was \$300,000 or \$225,000 and now you are telling us that it was \$250,000.

Mr. Fred Doucet: I am telling you what Mr. Schreiber told me. I am not the one who said it; he is the one who told me.

Mrs. Carole Lavallée: When you were at the hotel in New York, you saw an envelope change hands. First of all, you were not on a cell phone, you were not looking out the window, you were sitting across from Mr. Schreiber. You saw and heard everything that happened.

Mr. Fred Doucet: Exactly.

Mrs. Carole Lavallée: When Mr. Schreiber gave Mr. Mulroney an envelope, it seems to me that it should have been apparent that it was cash, and not a cheque.

Mr. Fred Doucet: I will reply in English, to make sure I do not make any mistakes.

[English]

I don't remember anything about the envelope, other than that it was legal size. It was handed to him as they were rising and we were leaving. I didn't pay particular attention to it. It never struck my mind that it was particularly thick, if that's what you're asking. I don't have a precise recollection. This was, after all, a good number of years ago.

[Translation]

Mrs. Carole Lavallée: Did Mr. Mulroney make a gesture as if to say "No, no, no" or "oh, more cash"? Did he take the envelope with a natural gesture, as if to say "Thank you, I earned this"?

Mr. Fred Doucet: From what I remember, Mr. Mulroney had a bag, and I think he took it and put it in the bag. We were standing at that point and I ...

Mrs. Carole Lavallée: You were about to leave.

Mr. Fred Doucet: Exactly.

Mrs. Carole Lavallée: In Mr. Mulroney's report to Mr. Schreiber, he told him, for instance, that he had met with official representatives in China.

[English]

Mr. Fred Doucet: Yes, Chinese leadership.

[Translation]

Mrs. Carole Lavallée: What kind of response did he get from the Chinese leadership?

Mr. Fred Doucet: I told you more or less everything I remember in my statement. I do not remember the discussions exactly. I know there was some back and forth between him and Mr. Schreiber. They shared some documents, but I cannot say exactly what was discussed in the case of Chinese leadership or in meetings with Mr. Yeltsin or Mr. Mitterrand. I cannot tell you any more about it.

Mrs. Carole Lavallée: And none of this made an impression on you? If it were me, for instance, and I heard someone say they had met with Mitterrand two months ago during their last trip to France, and they told me what was said during their conversation, I think I would record everything.

Mr. Fred Doucet: I understand.

I travelled internationally and organized many summits, such as the economic summit, the summit of la Francophonie, the Commonwealth summit, and I attended all bilateral and multilateral summits during my years with Mr. Mulroney. Seeing him negotiating with important people was nothing new for me.

Mrs. Carole Lavallée: I have one last question, but I do not think I have much time left.

The Chair: No, Mrs. Lavallée, I am sorry.

Mr. Mulcair.

Mr. Thomas Mulcair: Thank you, Mr. Chair.

Mr. Doucet, hello and thank you for being here.

I would like to return to the question raised by my Bloc colleague a moment ago. She mentioned Chinese leadership, Yeltsin, Mitterrand. Throughout your testimony, you have been very careful to always make the distinction between, first of all, what you yourself know and what you do not remember precisely or exactly, and so on.

I am going to ask you a question—and now it is my turn to use a qualifier—a precise question. What personal knowledge do you have of any meetings between Brian Mulroney and the so-called Chinese leadership, the former Russian president, Boris Yeltsin, or former French president, François Mitterrand? What personal knowledge do you have about a meeting of that nature?

Mr. Fred Doucet: Regarding those meetings, none.

Mr. Thomas Mulcair: Thank you.

Many people now have personal knowledge of the lobbying that was done regarding Bear Head, and that contradicts this version. Thus, it is important for us to get the facts straight.

In other testimony heard by this committee, people have talked about envelopes, similar to how you described what happened at the Pierre Hotel in New York, envelopes that would have come from your office, the Prime Minister's Office, during your time there, or that would have circulated between your office, the Prime Minister's Office and one or more people who lived or worked at 24 Sussex.

At any time throughout the entire period you were part of Mr. Mulroney's entourage or at any other time, did you ever see money in an envelope or cash changing hands when you were there?

• (1735)

Mr. Fred Doucet: Yes.

Mr. Thomas Mulcair: Under what circumstances?

Mr. Fred Doucet: When the Progressive Conservative Party, at that time, would reimburse Mr. Mulroney for party-related expenses. I believe you have already heard testimony on this aspect. Reimbursements were paid out twice a month, if I am not mistaken—but I am not certain that it was twice a month. When I was there, the cheques were made out to “Fred Doucet in trust”. When that was the case, I would cash the cheques and put the money in envelopes. Someone from 24 Sussex was called and would come to pick up the envelope. That is the only time I saw money transfers like the ones you described at 24 Sussex.

Mr. Thomas Mulcair: Thank you for the qualifier, once again. That is the only time you saw cash sent over to 24 Sussex.

I have another specific question for you. At any other time, whether at your office, at the Prime Minister's Office, or at any other location where you might have been, did you see any handing over of money, or anything that you suspected might be money in an envelope, such as at the Pierre Hotel, or anything you believed could have been the handing over of money?

Mr. Fred Doucet: Absolutely not, not at any time.

Mr. Thomas Mulcair: Not at any time. That is your testimony under oath?

Mr. Fred Doucet: That is my testimony under oath.

Mr. Thomas Mulcair: Thank you, Mr. Doucet.

That is fine, Mr. Chair. Thank you.

[English]

The Chair: Mr. Tilson, please.

Mr. David Tilson (Dufferin—Caledon, CPC): Thank you.

Mr. Chairman, through you to Mr. Doucet, I had about five pages of questions, and you've pretty well answered them all. I'm going to ask you a couple of them, however.

You talked about meetings at Mirabel airport and the Pierre Hotel in New York. There has been mention in these proceedings about a meeting at the Queen Elizabeth Hotel. Do you know anything about that?

Mr. Fred Doucet: That's one of the meetings I said I had no recollection that I had anything to do in organizing.

Mr. David Tilson: You did say that.

With these meetings, Mr. Schreiber, as I understand your testimony, asked that you set up the meetings. Is that what your testimony was?

Mr. Fred Doucet: Correct, in those two meetings.

Mr. David Tilson: In those two meetings, were you acting as some sort of representative for Mr. Mulroney or Mr. Schreiber, or both?

Mr. Fred Doucet: Good question. Well, I suppose as a link, because Mr. Schreiber had been a previous client, Mr. Mulroney had been a previous employer in the sense that he was Prime Minister and I was an adviser. So I was a link, yes.

Mr. David Tilson: Yes. You've touched on this, and I know you've given some answers, but I'd like to talk about it again. This consulting agreement between Mr. Schreiber and Mr. Mulroney to do a number of things—Mr. Mulroney has an interpretation and Mr. Schreiber has another interpretation, it seems. Do you know any details about this agreement?

Mr. Fred Doucet: I know this, and there are two parts to my answer.

First, when Mr. Schreiber asked me to set the meeting at Mirabel, he told me what it was he wanted to meet on. He elaborated, albeit sparsely, on what he wanted to achieve, obviously, because then I had to ask Mr. Mulroney if he was prepared to meet him on that basis.

Mr. David Tilson: Could I stop you? I know we're going back a long time, but do you recall what that was?

Mr. Fred Doucet: Yes, and I specified that—

Mr. David Tilson: You did, but could you elaborate on that a little?

Mr. Fred Doucet: Well, not a lot, because I don't have any recollection beyond what I've said here, and that is that he wanted to propose to Mr. Mulroney to retain him on an international assignment to promote military vehicles.

• (1740)

Mr. David Tilson: Yes, and you mentioned a second point.

Mr. Fred Doucet: Oh yes, the second point was...sorry, now I'm losing myself.

Mr. David Tilson: I interrupted you.

Mr. Fred Doucet: That was the meeting in Mirabel. The only other time I was present was at the Pierre Hotel, where there was a report on what was being done.

Mr. David Tilson: Mr. Schreiber was quite happy with that report?

Mr. Fred Doucet: Yes, he demonstrated nothing but appreciation.

Mr. Tilson, you have this in front of you. In this, I attempt to reconstruct what both Mr. Mulroney and Mr. Schreiber had told me the mandate was, so I faithfully attempted to reconstruct that, leaving blanks as to the mandating companies and leaving a blank as to the amount that was paid for the retainer.

Mr. David Tilson: There's handwriting on here. It's quite a masterpiece.

Mr. Fred Doucet: Yes. May I try to—

Mr. David Tilson: You did discuss it somewhat.

I'd like to know what is referenced to Mr. Schreiber.

Mr. Fred Doucet: Okay. If you have the document in front of you, this "Bayerische Bitumen Chemie" is in Mr. Schreiber's handwriting, and then there's "Chemie" written bigger to the right.

Mr. David Tilson: Yes, I see that.

Mr. Fred Doucet: To the right. Then there's the word "Kaufering" below. And then below that there's "Bitucan Calgary".

These three sentences are all in Mr. Schreiber's handwriting. The rest of it is my handwriting.

Mr. David Tilson: We have a debate about the amounts. I know you've listened to the testimony of Mr. Schreiber and the affidavits. You've read his legal material.

I'd like you to clarify the \$250,000 that's written here. What does that mean?

Mr. Fred Doucet: That's the number that Mr. Schreiber told me had been the fee for services and expenses for the assignment.

Mr. David Tilson: Okay. I know you've answered this, but I want to be clear. You said that the money, which was in an envelope—and that's really all you know, and in fact you may not even know what was in the envelope. It could have been a letter, for all you know.

Mr. Fred Doucet: No, that's not quite true, because he made the statement. Schreiber said, "included your expenses and fees".

Mr. David Tilson: So it included fees and services.

Mr. Fred Doucet: Fees and expenses.

Mr. David Tilson: Fees and expenses.

I know I'm asking you questions that you've already answered, but I just want to be clear again as to what the services were that Mr. Mulroney was to perform.

Mr. Fred Doucet: Well, these are the ones that are listed in this mandate letter.

I just draw to your attention that when I presented this to Mr. Schreiber on February 4, 2000, I asked him essentially to fill in the blanks, and he did. He didn't say, "No good"; he didn't write across it. He participated in the discussions, as you see by his own handwriting, and I recount here to the far bottom right a summary of what our discussions were about, and these discussions had to do with filling in the blanks. At the end, I said to Mr. Schreiber, "Now, this is what I've taken down. Do you agree with that?" "Of course, of course."

That's how the meeting ended, and he left with his own copy of this, albeit without my notes or his handwriting. But since he was the author of what's in here, I presume he was comfortable with what he knew.

Mr. David Tilson: Okay. I think you said in your testimony that you first met him in 1988?

Mr. Fred Doucet: To the best of my recollection it was.

Mr. David Tilson: Of course, it was a long time ago. And everything was reasonably good.

Somewhere along the line your relationship deteriorated. Can you tell us when it deteriorated and why?

Mr. Fred Doucet: To be perfectly frank, it really deteriorated when I heard his testimony—

• (1745)

Mr. David Tilson: You mean here.

Mr. Fred Doucet: Yes, in which he made statements about me that were false.

However, to be fully forthcoming here, I must say that post-2000, when I discovered the shenanigans that he was involved in back home in Germany, albeit allegedly, I was kind of happy to take my distance from him, but I had no particular reasons other than what was in the public domain. He has never caused me any harm or anything of the sort, other than what he has testified to here, which has caused me great harm.

The Chair: Okay. Mr. Doucet, you were with Mr. Mulroney and Mr. Schreiber in the Pierre hotel in December 1994?

Mr. Fred Doucet: Yes, it was on December 8.

The Chair: You weren't on your cell phone, because you didn't have one. You weren't looking out the window. You were sitting in a chair across from Mr. Schreiber. Is that correct?

Mr. Fred Doucet: That's correct.

The Chair: The report given by Mr. Mulroney was one to one and a half hours, you told the committee. Is that correct?

Mr. Fred Doucet: I said one to one and a half. I know we went in at around 11 o'clock, because that's when the meeting had been set for.

The Chair: Mr. Mulroney was reporting on the trips to these various international destinations. You were there. You were part of the conversation, as it were—

Mr. Fred Doucet: No.

The Chair: —at least close enough to hear everything that was going on.

Mr. Fred Doucet: Absolutely.

The Chair: Did Mr. Mulroney ever mention the name of any person who accompanied him when he made all of these trips?

Mr. Fred Doucet: I don't recall that.

The Chair: Sir, you must recall. Who went with Mr. Mulroney on these trips? Do you know?

Mr. Fred Doucet: I have no idea.

The Chair: Do you have any idea who he met with in the United States when he was doing this work?

Mr. Fred Doucet: I don't have any particular memory of his mentioning the United States at that meeting.

The Chair: Do you have any idea what the results of the discussion were with China?

Mr. Fred Doucet: No.

The Chair: There was only France, China, Russia—no reports whatsoever, I gather, on the U.S. Mr. Mulroney had testified he had throughout the U.S.—

Mr. Fred Doucet: I have no recollection—

The Chair: What did they talk about for an hour to an hour and a half?

Mr. Fred Doucet: Well, there was a lot of to and fro between the two of them. There was an exchange of documents. Mr. Schreiber spent a good bit of time at that meeting talking about the specifics of some of the vehicles. I remember in particular his being very passionate about the armament protection—

The Chair: But, sir, with due respect—

Mr. David Tilson: Mr. Chairman, you asked him a question. Let him give the answer.

The Chair: Yes, I know.

Mr. David Tilson: Well, I know you know. Let him answer.

The Chair: Thank you.

Do you have anything further to offer on that? I know that Mr. Schreiber is saying...but this is a report from Mr. Mulroney to Mr. Schreiber. I'm more interested in what Mr. Mulroney said to Mr. Schreiber—his one-hour report to Mr. Schreiber. It's important that we know.

You said it was an ongoing work when you talked about giving the last payment. It was for the ongoing work. I thought it was all over with. According to all accounts—the \$300,000 or \$225,000—that was it. But you described it as ongoing. Why did you describe it as ongoing work?

Mr. Fred Doucet: No, I'm sorry. If you got that interpretation, I think I provided the wrong interpretation. He was reporting on the ongoing work coming to that meeting.

The Chair: This is a final report.

Mr. Fred Doucet: I have no idea if it was intended to be a final—

The Chair: You don't know if it was a final report.

Mr. Fred Doucet: I don't know that.

The Chair: Do you have any idea of any person's name ever coming from Mr. Mulroney's lips about who was involved with any of this?

Mr. Fred Doucet: I do not.

The Chair: You have no idea who his travelling companion or companions were?

Mr. Fred Doucet: I don't know. I have no idea.

The Chair: You have no idea who he met with in China, at what level.

Mr. David Tilson: How many times are you going to ask the question? I've counted about six times.

The Chair: Order.

Have you ever handed money to Mr. François Martin?

Mr. Fred Doucet: Yes, in response—

The Chair: How many times? More than once?

Mr. Fred Doucet: The honest answer is that I don't remember. I don't remember how many times. I can remember one time, but I don't remember whether there were any other times.

The Chair: What do you remember about the one time?

Mr. Fred Doucet: I think it was the first time.

The Chair: And what do you remember? Where did you get the money? Was it cash?

Mr. Fred Doucet: No, it came as a cheque made to Fred Doucet in trust, which I cashed and put in an envelope. I gave it to my secretary, and I asked her to call whoever at 24 Sussex would be available to come and—

• (1750)

The Chair: And the cheque was from the PC Canada Fund?

Mr. Fred Doucet: Yes, it was.

The Chair: Do you recall how much it was for?

Mr. Fred Doucet: I think it was \$5,000, but I wouldn't guarantee. I think it was \$5,000.

The Chair: Thank you.

Mr. Murphy, please.

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): I had the uniform on, wondering if I was going to get in the game. Thank you, Mr. Chair.

To follow up briefly, Mr. Doucet, on the report of 1994, I understand you don't remember it totally. Mr. Chairman was cross-examining you on it. But do you remember, in the one or one and a half hours, the name Yeltsin being mentioned?

Mr. Fred Doucet: Yes, I do.

Mr. Brian Murphy: Do you remember the name Mitterrand being mentioned?

Mr. Fred Doucet: Yes, I do.

Mr. Brian Murphy: Okay. And that's about all you remember as far as specifics on Mulroney's part go.

Mr. Fred Doucet: Yes, in terms of individuals.

Mr. Brian Murphy: Okay. That's not a really complete memory of a fairly important meeting.

There have been some discussions about this document you circulated, the February 4, 2000, document. This is trying to encapsulate what happened many years past, from 1993 to 1996, I believe. It's Mr. Schreiber's view of what happened after he was faced with some extradition problems, and it was also a codification, if you like, of what Mr. Mulroney may have done in the year—we have testimony—that he filed his tax return reporting all of this income.

So that's the context of this document in February 2000. Correct?

Mr. Fred Doucet: Yes, I guess so.

Mr. Brian Murphy: I'm going to take you back to when you started with Mr. Schreiber. Your evidence is that you began working for him in February 1990 and you stopped working for him around the end of 1992.

Mr. Fred Doucet: Yes, that's correct.

Mr. Brian Murphy: These aren't supposed to be trick questions yet. I'll let you know when the trick question comes.

There is an awful lot of activity in the daytimer of Mr. Schreiber, which has entries produced in 1991 of meetings with ministers. I'm going to go through the details of those. But before I do.... You were a successful lobbyist. Did you keep a daytimer or a calendar of events?

Mr. Fred Doucet: Yes, I kept daytimers.

Mr. Brian Murphy: Would you produce those for the period of April 1991 to the end of February 1992, on the proviso that your lawyer can go through them and black out any appointments that might identify people other than Mr. Schreiber and, I'll say, the Government of Canada? Would you do that for us?

Mr. Fred Doucet: Gladly.

Mr. Brian Murphy: Mr. Schreiber's entries show that in April 1991 he met with Mr. Tellier and that in May 1991 you met with Mr. Tellier. Do you know who I mean by Paul Tellier?

Mr. Fred Doucet: Absolutely.

Mr. Brian Murphy: In May 1991 there's a meeting with Marcel Masse, Michael Wilson, and John Crosbie, which implicated you—

Mr. Fred Doucet: Implicated?

Mr. Brian Murphy: You were there.

Mr. Fred Doucet: I don't recall.

Mr. Brian Murphy: Okay.

On May 21, 1991, you met with Mr. Mulroney and you briefed Mr. Schreiber. Do you recall that?

Mr. Fred Doucet: Give me the date.

Mr. Brian Murphy: May 21, 1991.

Mr. Fred Doucet: I'd have to check my daytimer.

Mr. Brian Murphy: Okay.

On October 1, 1991, Mr. Schreiber says you called in the morning and you met with Mr. Mulroney in the parliamentary building here. You don't recall that?

Mr. Fred Doucet: I'd have to check my—

Mr. Brian Murphy: In October and December there were further meetings involving the Prime Minister and the Government of Canada during a period when you were working for Mr. Schreiber. That's our evidence. Your evidence will come from your daytimers.

Mr. Fred Doucet: What date was that?

Mr. Brian Murphy: The last two dates were October 2, 1991, and December 1, 1991.

Mr. Fred Doucet: Sure.

Mr. Brian Murphy: There's activity, let's put it this way. You were a registered lobbyist. You were lobbying on behalf of the Bear Head project for Mr. Schreiber. Correct?

Mr. Fred Doucet: Yes. Correct.

Mr. Brian Murphy: And you expected some results would come from that?

Mr. Fred Doucet: I had hoped.

Mr. Brian Murphy: Were you aware that Brian Mulroney, your good friend, had told Mr. Spector, his chief of staff, on December 16, 1990, that because of the cost of the Bear Head project it would be killed. Mr. Mulroney's words were, "It should be killed, it will be killed, it is done". Were you aware of that at the time?

● (1755)

Mr. Fred Doucet: I was not.

Mr. Brian Murphy: So your good friend Mr. Mulroney did not tell you the Bear Head project was done, dead, in December 1990. You continued to rack up expenses and promises, for your client presumably, that it would live. It seems funny that at the end of it, in 1993 and 1994, Mr. Mulroney received a lot of cash.

Do you find that strange?

Mr. Fred Doucet: No.

Mr. Brian Murphy: What did you do for your client in 1991, with all those meetings, if the project was dead anyway?

Mr. Fred Doucet: The client never told me the project was dead, nor did anyone else.

Mr. Brian Murphy: Your client didn't, but did Mr. Mulroney?

Mr. Fred Doucet: No.

Mr. Brian Murphy: He didn't.

Mr. Fred Doucet: No.

[Translation]

Le président: Mr. Ménard, please go ahead.

Mr. Serge Ménard: Mr. Doucet, can you explain why the mandate that you prepared was not signed by Mr. Schreiber?

Mr. Fred Doucet: That was not the purpose of the mandate. The purpose of the mandate was not to have them signed. As you can see, there was no designated area or blank space intended for a signature.

[English]

It was only to memorialize what had been done in the past. There was no intention to have anybody sign it; at least it was not my intention.

[Translation]

Mr. Serge Ménard: But it was really written as a mandate, and not as a memorandum, correct? That is how you wrote it.

Mr. Fred Doucet: Exactly.

Mr. Serge Ménard: Thus, you wrote it with the intention of asking Mr. Schreiber to fill it out and sign it.

Mr. Fred Doucet: No, not to sign it, but to fill it out.

Mr. Serge Ménard: So why did you give him that form?

Mr. Fred Doucet: For no other reason than—

[English]

to memorialize what in fact had been set out in the mandate when the blanks would be filled. That's all.

[Translation]

Mr. Serge Ménard: You prepared several mandates for Mr. Schreiber, you sent invoices and you were paid in the usual way, that is, by cheque or by a direct funds transfer.

You cashed cheques drawn on the PC Canada Fund made out to you and then sent cash to Mr. Mulroney. Why were the cheques from the PC Canada Fund, cheques intended to reimburse Mr. Mulroney for his party-related expenses, not sent directly to him?

Mr. Fred Doucet: I cannot answer this, other than to say that those were the arrangements made by the president of the PC Canada Fund and Mr. Mulroney's office. I was merely the intermediary who received the cheque when it was made out to me. I would cash it and send the money to 24 Sussex. I am not the one who made the arrangements.

Mr. Serge Ménard: Instead of sending the cheque to Mr. Mulroney, who would have deposited it in the bank, you ran the risk of sending \$5,000 by courier?

Mr. Fred Doucet: That was not exactly how it happened. The payment requests went through the Chief of Staff and were sent to

the PC Canada Fund, which sent a cheque to the Chief of Staff, who, in my case, cashed it and sent it to 24 Sussex.

Mr. Serge Ménard: According to an article in *Maclean's* magazine on January 13, 1997, Brian Mulroney's advisors recommended in a memo to the Prime Minister that he appoint David Johnston to the position of Clerk of the Privy Council.

Were you aware of this before the *Maclean's* article mentioned it?

Mr. Fred Doucet: I am sorry, I did not understand your question.

Mr. Serge Ménard: According to an article in *Maclean's* magazine on January 13, 1997, Brian Mulroney's advisors recommended to him in a memo that he appoint David Johnston to the position of Clerk of the Privy Council.

Did you know about that?

Mr. Fred Doucet: No.

Mr. Serge Ménard: Were you president of the PC Canada Fund? You were not—

[English]

Mr. Fred Doucet: Never.

[Translation]

Mr. Serge Ménard: Did you arrange meetings for lobbyists and business people with the Prime Minister?

[English]

Mr. Fred Doucet: I don't have any specific recollection of arranging a meeting between any of my clients and the Prime Minister himself, with the exception of the Bear Head project.

The Chair: Thank you, Mr. Ménard.

Our final questioner is Mr. Russ Hiebert, please.

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Thank you, Mr. Chair.

Mr. Doucet, we've been asking all the witnesses a similar set of questions just because we want to be consistent and provide them every opportunity to clarify for this committee if there has been any wrongdoing.

So my question to you is, do you have evidence of any wrongdoing by any public official with respect to the Bear Head project, or the Airbus purchase, or the consulting agreement between Brian Mulroney and Mr. Schreiber?

● (1800)

Mr. Fred Doucet: I want to say I have no knowledge at all about anything involving Airbus.

Mr. Russ Hiebert: Okay. I have just one last question.

Mr. Schreiber has said before this committee—and he has sworn an affidavit before a judge—that you had asked him to transfer money to a lawyer in Geneva. Now, you've perfectly denied those allegations, so my question is not whether or not it happened, but why do you think this gentleman, a former friend of yours, would even make these kinds of allegations?

Mr. Fred Doucet: I have no idea. I hope to find out sometime. I just don't know.

The Chair: Mr. Doucet, we appreciate your taking the time to appear before us. We thank you for your efforts. You are now excused.

Colleagues, there being no further business....

Sorry, Madame Lavallée, you had something for the committee?

[*Translation*]

Mrs. Carole Lavallée: I do not wish to keep the witness unnecessarily, but I have a logistical question to ask. May I ask it now? It is not for you, Mr. Doucet, but rather for the Chair. I thank you very much.

Mr. Chair, would it be possible, logistically and politically, for us to forward you some questions to ask certain individuals involved in the matter before us and of whom we have only one question to ask? You could forward those questions in writing, rather than calling other witnesses to ask them only one or two questions for the purpose of clarification or verification.

[*English*]

The Chair: Colleagues, Madame Lavallée is referring, I think, to the witnesses we did not call, and that there may be a question. I would suggest that since we have a brief in camera meeting on Thursday after our witnesses, we could do a poll, and if the members wish, we could either entertain receiving specific questions or maybe

just a generic question, asking if they have anything to offer the committee.

Why don't we deal with that general issue at our meeting on Thursday? Would that be acceptable?

An hon. member: Yes.

The Chair: Thank you kindly.

[*Translation*]

Mr. Thomas Mulcair: Mr. Chair, would you be so kind as to do the same thing and ask the senior partner at Stikeman Elliott to provide all the invoices? He might rebuff the issue, but I would like him to provide all the invoices exchanged between Mr. Lalonde and Bear Head Industries.

There are two things. On one hand, Stikeman Elliott is being asked to provide all the invoices concerning Mr. Lalonde and Mr. Schreiber and, on the other hand, Mr. Ménard is asking Ogilvy Renault for Brian Mulroney's partner contract.

[*English*]

The Chair: We will confirm in writing the request to Mr. Doucet.

Merci.

The meeting is adjourned.

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