

January 9, 1997

Mr. Karlheinz Schreiber  
c/o Mr. Robert W. Hladun, Q.C.  
Hladun & Company  
100, 10137 - 104 Street  
Edmonton, Alberta  
T5J 0Z9

Dear Mr. Schreiber:

On Sunday, January 5, 1997, the Government of Canada, the RCMP and others entered into a settlement agreement with the Right Honourable Brian Mulroney. The settlement agreement, a copy of which is enclosed for your information, recorded the terms on which the parties thereto resolved issues arising from the circumstances set forth below.

On September 29, 1995, the Government of Canada sought the assistance of authorities in Switzerland in relation to a criminal investigation being conducted by the Royal Canadian Mounted Police. The Request for Assistance was initiated and drafted by the RCMP and signed and sent by the Department of Justice to the Swiss authorities.

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

Furthermore, the procedure used in sending the Request for Assistance to Switzerland in this case was the same as that followed in numerous previous requests for mutual assistance under both the current and previous administrations, where such requests have always remained confidential.

By means that are unknown to the Government of Canada, a Toronto newspaper apparently obtained a copy of a translation of the Request for Assistance and published its particulars.

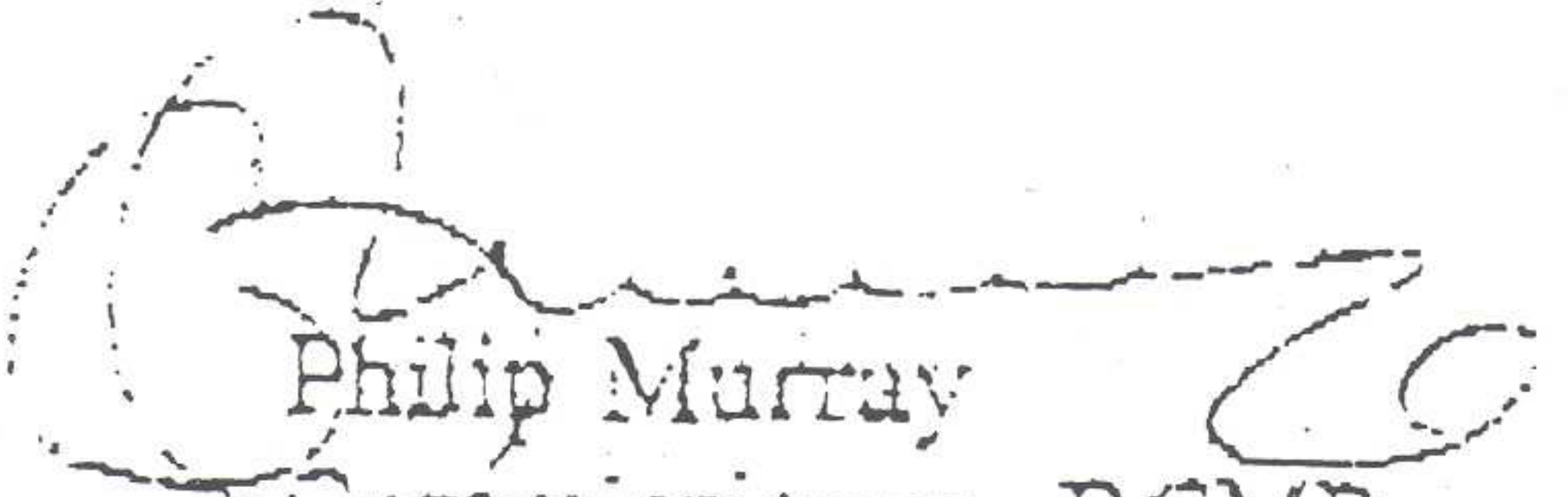
The Government of Canada did not foresee that the Request for Assistance would become public. Since it did, the Government of Canada has reviewed its procedure to ensure that the risk of this happening again is minimized.

The RCMP investigation in this matter continues. It is important to emphasize, however, that it is an investigation at this stage, no charges have been laid, and all of those under investigation are presumed to be innocent.

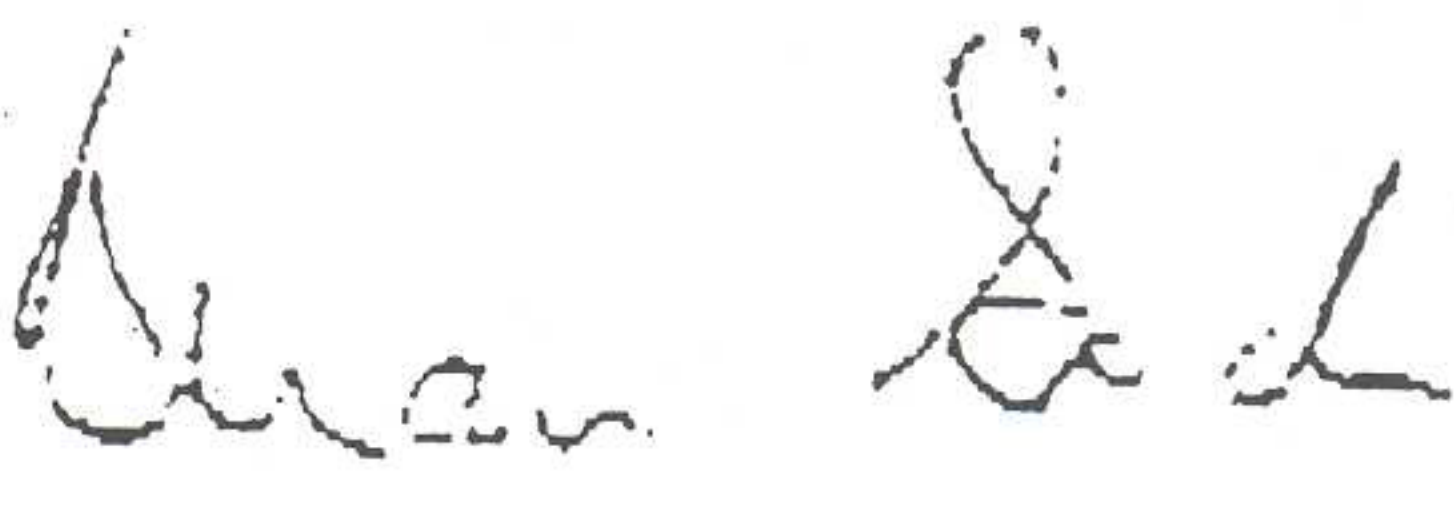
Some of the language contained in the Request for Assistance indicates, wrongly, that the RCMP had reached conclusions that you had engaged in criminal activity.

Based on what is set out above, and as a matter of logical consistency, the Government of Canada and the RCMP fully apologize to you for that language, and regret any effect that it may have had on you or your family.

Yours very truly,



Philip Murray  
Commissioner, RCMP



Allan Rock  
Minister of Justice & Attorney  
General of Canada