

11:19:50 1 **THE TRIBUNAL RESUMED AS FOLLOWS ON WEDNESDAY,**

2 **7TH MAY 2008, AT 11:45:**

3

4 MR. QUINN: Good morning, Sir.

11:46:55 5

6 Mr. Ray MacSharry, please.

7

8 **MR. RAY MacSHARRY, PREVIOUSLY SWORN, WAS QUESTIONED BY**

9 **MR. QUINN AS FOLLOWS:**

11:47:06 10

11 CHAIRMAN: Good morning, Mr. MacSharry.

12

13 MR. QUINN: Mr. MacSharry, you are already sworn so ...

14

11:47:11 15 CHAIRMAN: Take a seat, Mr. MacSharry.

16 Q. 1 MR. QUINN: Good morning, Mr. MacSharry. Mr. MacSharry, you are already sworn.

17 And I think you gave evidence on day 471 on the 2nd of April 2004. In the

18 first part of this module, isn't that correct?

19 A. Yes, Sir.

11:47:35 20 Q. 2 And I think, if I were to attempt to synopsis your evidence given at that time

21 as follows. I think you had heard Mr. Gilmartin's evidence or you had read his

22 evidence, where he had suggested having met with you in the summer, I think in

23 your offices in Sligo in 1987. And thereafter I think he placed it at the 10th

24 of December 1987, in government buildings, isn't that right?

11:47:58 25

26 You had heard Mr. Gilmartin's on that. And I think your evidence in relation

27 to those meetings was to the effect that you had no recollection of meeting

28 with Mr. Gilmartin or indeed Mr. Leonard, whom he said was with him when he met

29 you in your offices in Sligo, isn't that right?

11:48:14 30 A. That's correct. But I think I should say that when one is holding a

- 11:48:20 1 constituency clinic, there can be anything from 100 to 150 people on the one
2 day, so you don't remember every detail.
- 3 Q. 3 I think you conceded that you might have met with him?
- 4 A. Oh, I have no difficulty in that.
- 11:48:32 5 Q. 4 And I think you did give evidence of a meeting that you had with him in the
6 Sligo Park Hotel about a year prior to giving evidence, which would be in or
7 about 2003, isn't that right, while you introduced yourself to him?
- 8 A. That's right. No, he introduced himself to me.
- 9 Q. 5 He introduced himself to you. And I think you gave evidence of being contacted
11:48:50 10 by Mr. Flynn, I think in August of 1998, where and -- Mr. Flynn seeking from
11 you the telephone number of Mr. Gilmartin and your efforts to locate a
12 telephone number for Mr. Gilmartin, isn't that correct?
- 13 A. Correct.
- 14 Q. 6 You had also, I think gave evidence of not having any recollection of Mr.
11:49:10 15 Gilmartin contacting you while you were a European Commissioner, isn't that
16 correct?
- 17 A. That's correct.
- 18 Q. 7 Yes. And I think your evidence was that you had no dealings with Mr. Gilmartin
19 or indeed with anyone concerning the rezoning or the planning of Quarryvale
11:49:24 20 lands?
- 21 A. None whatsoever.
- 22 Q. 8 And I think your evidence was that your only dealings with Mr. O'Callaghan were
23 dealings confined to the period '93/'94 in relation to seeking funds in
24 relation to Fianna Fail, isn't that right?
- 11:49:39 25 A. That's correct.
- 26 Q. 9 I think you had no recollection of any meetings with any representatives of
27 Arlington and you certainly in had no recollection of a meeting 4th of November
28 1987 with representatives of Arlington, isn't that right?
- 29 A. No, I didn't.
- 11:49:53 30 Q. 10 In relation to urban renewal. I think your evidence was that the idea of urban

11:49:59 1 renewal was from time to time initiated within the Department of the
2 Environment and then forwarded across to the Department of Finance and dealt
3 with within the Department of Finance, isn't that right?
4 A. Yes, I think we should mention the local authorities as well.

11:50:12 5 Q. 11 Yes I think --
6 A. Because they are asked on behalf of the environment to prepare schemes. Then
7 environment decide on them and they supply them to Department of Finance.
8 Q. 12 Yes. AND I think in relation to the Tallaght designation, I think your
9 evidence was to the effect that it was opposed by the officials of the
11:50:29 10 Department of Finance. They were not in favour of it and they certainly
11 weren't in favour of any designation of greenfield sites.
12 A. That would be their policy today too.

13 Q. 13 And I think you went on to advise the Tribunal that when you returned from
14 Brussels in '93/'94, at a time when it was intended to put legislation through
11:50:49 15 limiting corporate donations that you were approached and asked to assist in
16 reducing the substantial Fianna Fail overdraft at that time, isn't that right?
17 A. That's correct.

18 Q. 14 Now, I think, Mr. MacSharry, that you were a member of the Dail from 1969 right
19 through I think until late 1988 or early 1989, when you were appointed European
11:51:11 20 Commissioner?
21 A. 6th of January '89.

22 Q. 15 Yes you took up your appointment on the 6th of January '89.
23 A. Retired.

24 Q. 16 But I think your appointment had been on the 28th of November 1988, is that
11:51:21 25 correct?
26 A. I resigned from the Dail on the 5th of January '89.

27 Q. 17 Yes. Now, you have been aware I take it from the correspondence from the
28 Tribunal and from the evidence given that Mr. Gilmartin has given evidence to
29 the Tribunal concerning his first meeting with Mr. Owen O'Callaghan, which
11:51:39 30 appears to have taken place on the 7th of December 1988. And in relation to

11:51:49 1 that meeting, Mr. Gilmartin has given evidence to the Tribunal of what he says
2 was said to him by Mr. O'Callaghan at that meeting, do you understand?
3 A. I do, I've read that evidence.
4 Q. 18 You've read that evidence. In essence, you have read therefore that Mr.
11:52:01 5 Gilmartin has told the Tribunal in evidence that at that meeting he was advised
6 by Mr. O'Callaghan that sometime prior to the meeting of the 7th of December
7 '88, you had been in Cork and you had collected 50,000 pounds. He didn't say
8 that it was you personally, it may in fact have been for Fianna Fail, isn't
9 that right?
11:52:21 10 A. Well I wasn't in Cork and I didn't collect any 50,000 pounds from anybody. And
11 I didn't know Mr. O'Callaghan in 1988.
12 Q. 19 Yes. He also said that he had been advised of this by a Mr. Kearns who was a
13 friend of his and you will have seen that evidence?
14 A. I have seen that evidence.
11:52:39 15 Q. 20 And he has also suggested that there was some connection between you and
16 Mr. Kearns perhaps through Mr. Kearns' wife. You will see that evidence?
17 A. If I can explain that to you, can I Sir?
18 Q. 21 Yes.
19 A. You mentioned the August period when Mr. Flynn was looking for the telephone
11:52:55 20 number of Mr. Gilmartin. I thought that Mr. Gilmartin said he was from Sligo,
21 that he was from Ballintogher area, which would have a number of Gilmartin
22 families. So I contacted Ballintogher Post Office at that time. The post
23 mistress herself was an American but she got her husband to make contact. And
24 as it happened, seemingly the Mr. Kearns' wife is some way connected to Mrs,
11:53:31 25 Ms. Kilmoran was her name now but she's a Mrs. Diamond. And they got the
26 number the following day and I passed it on to Mr. Flynn.
27
28 Now, I understand that that is the Mr. Kearns that he is talking about. But I
29 also understand that this, these statements were never made prior to
11:53:54 30 Mr. Kearns' death, which I believe happened four years ago. And I think you

11:53:59 1 have documentation to show from Mr. Kearns' widow that she would not be aware
2 of any such statements by her late husband.

3 Q. 22 Yes. If I could have 27979. I think you are referring to a letter of the 1st
4 of April 2008, which has been received by the Tribunal from Diana Kearns with
11:54:22 5 an address at Suffolk in England. It says as follows.
6
7 MR. KEATING: Sorry, Chairman, that letter is not on screen.
8
9 MR. QUINN: Sorry. 27979.

11:54:35 10 A. It was given to us this morning.
11
12 CHAIRMAN: Yes.
13
14 CHAIRMAN: It doesn't appear to be on the system. Can we put it into the
11:54:45 15 system?
16
17 Q. 23 MR. QUINN: If I for the moment -- it has been added to the brief. It's just
18 not faxed through to the system.
19
20 Just whilst that letter is being scanned in, Mr. MacSharry. Mr. Gilmartin gave
21 evidence that you had tried to get a letter to him which if he signed it would
22 show that you had, he had no connection with you. I don't know if you recall
23 reading that evidence of Mr. Gilmartin?
24 A. I recall reading it.

11:55:31 25 Q. 24 And he says that --
26 A. I didn't make any effort to get him --
27 Q. 25 He received that from Mr. Kearns.
28 A. That's right.
29 Q. 26 A letter dictated to Mr. Kearns on your behalf. In other words, someone on
11:55:40 30 your behalf, not necessarily you, had sought to have Mr. Gilmartin sign the

11:55:44 1 letter saying that he had --

2 A. I believe that to be the case of Mrs. Diamond with Mr. Kearns.

3 Q. 27 You believe it happened between Mrs. Diamond and Mr. Kearns?

4 A. Without my knowledge.

11:55:55 5 Q. 28 Without your knowledge.

6 A. I never spoke to with Mr. Kearns ever.

7 Q. 29 Okay. You will see now on screen, the letter of the 1st of April 2008, from

8 Mrs. Kearns in the following terms.

9

11:56:04 10 "It has come to my attention that Tom Gilmartin has used my husband's name

11 Peter Kearns, as giving him information which is totally untrue. I want to

12 make it clear that my husband never passed such information about anyone

13 receiving money to Mr. Gilmartin or anyone else. I find it very disturbing

14 that this should come to light four years after his death on the 5th of

11:56:21 15 February 2004. I think it speaks for it's self as this evidence was not

16 produced when he was alive".

17

18 And that's the letter to which you are referring, isn't that right?

19 A. That's right.

11:56:31 20 Q. 30 Now, I think that the Tribunal made an order for discovery of your banking

21 records for the year 1988.

22 A. Before you go on, Sir, could I just say because I think it's relevant to the

23 questions you've just asked. That in 1998, a Mr. Gallagher on behalf of the

24 Tribunal spoke with Mr. Gilmartin about various allegations. None of which

11:57:00 25 concerned me nor mentioned my name what so ever. In 1999, the Tribunal

26 counsel, Mr. Hanratty, spoke with Mr. Gilmartin when my name was mentioned in

27 relation to 1989. But also related to the fact that the so-called Starry

28 O'Brien allegations were circulating at the time and even Mr. Hanratty

29 summarised his statement at the time, as being one that if Mr. Gilmartin wasn't

11:57:35 30 in touch with the people concerned he was definitely aware of what was said by

11:57:41 1 Starry O'Brien, which I think is well aware that the Tribunal themselves,
2 Chairman, are well aware of that situation. And I think it's not being
3 examined in detail here as far as I understand, I don't know. But that's, if
4 you just look at the sequence '98 no mention. '99 O'Brien and Mr. Hanrahan.

11:58:00 5 And now we have this only coming up last year of 1988. As I said, I didn't
6 even know Mr. O'Callaghan in 1988.

7 Q. 31 And I was just going to move on to say that I think that an order for discovery
8 of your banking records was made by the Tribunal for the year 1988, isn't that
9 correct? You supplied your various banking records, isn't that correct?

11:58:26 10 A. That's correct, Sir.

11 Q. 32 And I think you have explained all the various lodgements to your accounts,
12 your various accounts for the year 1988. But there were two lodgements I think
13 that the Tribunal asked you to give an account for that's a lodgement if I
14 could have 27973? This is a bank account in the name of yourself and your late
15 wife.

11:58:49 16
17 And I think there was a lodgement of 2,000 pounds on the 1st of December 1988,
18 and then if I could have 27974, it's a lodgement of 16,000 pounds on the 22nd
19 of July 1988. Again, to an Irish Civil Service building society account again
11:59:06 20 in the name of yourself and your late wife. And I think at 27968, in a letter
21 dated the 1st of May 2008, you through your solicitors gave an explanation for
22 those two lodgements, isn't that correct?

23 A. That's correct, Mr. Quinn.

24 Q. 33 And I think your solicitor on your instructions said the following.

11:59:25 25
26 "We have now obtained instructions from our client in relation to the source of
27 monies referred to your letter and our instructions are as follows:

28
29 1. The sum of 16,000 pounds was lodged by the late Mrs. MacSharry on the 22nd
11:59:35 30 of July 1988, and we enclose a copy of the lodgements slip which is now being

11:59:40 1 provided to our client by Irish Civil Service.
2
3 Our client believes that the source of this lodgement was allowances
4 accumulated by the late Mrs. MacSharry as an assistant to our client whilst he
11:59:50 5 was a member of the European Parliament in the mid 1980s.
6

7 2. Our client believes that the sum of 2,000 pounds credited to the Bank of
8 Ireland account in the 1st of December 1988, was a salary payment to him as a
9 sitting TD during the period between his resignation as Minister for Finance
12:00:03 10 and him taking up his appointment as European Commissioner".
11

12 Now, I think up your appointment on the 6th of January 1989, isn't that
13 correct?

14 A. That's correct.

12:00:14 15 Q. 34 The lodgement is dated the 1st of December 1989 --
16

17 CHAIRMAN: '88
18

19 Q. 35 MR. QUINN: 1988 I should say. So the 2,000 would have to have been
12:00:23 20 accumulated between the period the 24th of November '88 and the 1st of December
21 '88 to have been lodged on the 1st of December '88, isn't that right?

22 A. No, it would have been accumulated from the 1st of previous month.

23 Q. 36 I see.

24 A. Each month you got paid, I got a salary as a TD. And at that stage for half of
12:00:42 25 that month I got a salary as a Minister. And each, the 1st of each month if
26 you go back through those statements you will find amounts ranging from 2,007
27 to 3,400 being lodged on the 1st of the month, each month in 1988. And that's
28 my belief that this 2,000 lodged on the 1st is a portion of --

29 Q. 37 Yes.

12:01:05 30 A. -- those salaries.

- 12:01:07 1 Q. 38 And was it usual for your wife to receive allowances in round figure sums?
2 A. Well, she was a regular, if she needed some cash and she was lodging a cheque
3 she might just decide that I think that was the only round sum for the whole of
4 the year I think on checking the account myself.
- 12:01:26 5 Q. 39 At 27975, I think the Bank of Ireland on the 6th of May 2008, have advised the
6 Tribunal and I think you are aware of this. That there are no back up
7 documentation other than the lodgement document at 27969 for the 16,000 pounds,
8 isn't that right?
9 A. I'm not aware of that until you show me now, Sir. But I was aware of the
10 receipt that you have just put up.
- 12:01:47 11 Q. 40 If I could have 27975, please. Now, you accept there is no back up
12 documentation other than the lodgement docket I think?
13 A. I'm sorry, I don't have any -- we did search but it's 20 years ago and even
14 prior to it being requested by the Tribunal when my wife was alive we went
15 through all of these things and to the best of her knowledge as well as mine,
16 that that was resources left over from the assistant expenditure that came from
17 Brussels during the '84/'87 period which was fairly substantial.
- 12:02:22 18 Q. 41 Now, your appointment I think was announced on the 24th of November 1988, isn't
19 that right, as a European Commissioner?
12:02:47 20 A. Yes, Sir.
- 21 Q. 42 And as we, as you have given evidence, you took up your appointment on the 6th
22 of January 1989. You did have a function I think in the early '80s in relation
23 to collections, collecting money on behalf of Fianna Fail, isn't that right?
24 A. No, I didn't actually.
- 12:03:03 25 Q. 43 Did you ever --
26 A. In the early '80s. Oh, I thought you said early '88.
- 27 Q. 44 Yes.
28 A. In '83 and in '85 at the time I was a member of the Dail and a member of the
29 European Parliament, I was asked to assist them in organising what we called
12:03:19 30 the National Lottery. Which was a membership lottery. It was actually a

12:03:24 1 forerunner of the National Lottery that came in subsequently. Where each
2 member paid so much per week and each month there was a draw in headquarters,
3 and substantial prizes were given out. It was very successful in '83 and we
4 conducted it again in '85 but it was totally a membership lottery, membership
12:03:42 5 of the party. It wasn't raising funds as such.

6 Q. 45 I understand. Now, if we could have 27975 please. There is a document on
7 screen, Mr. MacSharry. It's an extract from a Sunday Independent article of
8 the 27th of November 1988. And if I could just direct your attention to the
9 fourth column on the left-hand side commencing almost 300, do you see that?
12:04:07 10 Just over on the left-hand side please.

11 A. Oh, right.

12 Q. 46 If we could just pull it down. It's further down. Do you see there "almost
13 300 of Cork top business people packed Jurys Hotel last Monday" that would have
14 been the 21st of November "for a sell out Cairde Fhail luncheon addressed by
12:04:36 15 Mr. Reynolds". Do you see that?

16 A. Yes.

17 Q. 47 "On the problems of business". Were you in attendance at that meeting in Cork
18 on the 21st of November, Mr. MacSharry?

19 A. No.

12:04:51 20 Q. 48 Would a Cairde Fhail luncheon like that be a fundraising lunch?

21 A. Normally speaking I believe they would.

22 Q. 49 And the funds from that type of luncheon would be presumably lodged to central
23 funds in party headquarters?

24 A. They should, if there was profits from it that would be the case.

12:05:07 25 Q. 50 But you say you never attended that function and you weren't at that function?

26 A. No.

27 Q. 51 No.

28 A. I wasn't at it. I don't think I was ever at a fundraiser of any kind in Cork.

29 Q. 52 Yes. Now, I think you know that Mr. Gilmartin has given evidence that he was
12:05:28 30 advised by you and others that roadblocks would be removed in relation to his

12:05:34 1 development, both at Bachelor's Walk and at Quarryvale. You have heard his
2 evidence in that regard and you will have seen I think if we could have 16575,
3 a letter of the 5th of March 2004, from Mr. Gilmartin's solicitors where at
4 paragraph two of that, sorry paragraph one.

12:05:54 5
6 "It is stated in our letter of 20th of February 2004, our client was assured
7 that he was able to secure investment in the Bachelor's Walk area that all
8 roadblocks would be removed." Do you see that?

9 A. Yes.

12:06:03 10 Q. 53 Paragraph two he says "We are instructed by our client that he was given these
11 assurances by Bertie Ahern when he met with him at the Department of Labour in
12 autumn of 1987 by Pdraig Flynn on numerous occasions when he met with him in
13 his offices in the Customs House and at Leinster House and by Ray MacSharry
14 when he met with him in December 1987 at his offices in the Department of
15 Finance".

16
17 What do you say to that Mr. McSharry?

18 A. Well the same as I said when I was here before, Mr. Quinn. And that is that
19 nobody can get any record of that meeting in the Department of Finance. I
12:06:35 20 don't have any record of it, nor do I recall any such meeting. But I know that
21 in general that government at the time, which was a very, very difficult time,
22 was encouraging people in every single town in the country to try and get some
23 development going. I mean, I myself in '87 would have introduced a huge number
24 of inner city reliefs to ensure that there would be work started in those
12:07:06 25 areas. So in general that was the view.

26
27 But, I mean, specifically you are asking me do I recall Mr. Gilmartin meeting
28 me and saying that I would remove all roadblocks, I mean, I wasn't in the
29 business of roadblocks. There is a planning process that has to be gone
12:07:26 30 through there, there is a designation process that has to be gone through. And

12:07:30 1 I remember other evidence around that time, four or five years ago when I was
2 here before, Mr. Gilmartin saying that at these meetings or alleged meetings
3 that he had with me, that I had little interest in his projects I think you
4 will find that.

12:07:47 5 Q. 54 And I think you will see at 14641. This time in relation to the rezoning of
6 his Westpark lands. Well just look at there is another statement from Mr.
7 Gilmartin dated the 28th of October 2005. If we just look at the very last
8 paragraph of that he says:

9
12:08:02 10 "I had four meetings with Bertie Ahern; two in the Department of Labour in the
11 autumn of 1987 and late 1988. And two in Fagan's public house on 10th October
12 1989 and 28th of September 1989. The rezoning of the Westpark lands was not
13 discussed at the first meeting. To the best of my recollection, I was
14 discussed at all of the other meetings. I also discussed this matter with
12:08:23 15 Pdraig Flynn on numerous occasions when I met with him at his offices in the
16 Customs House and at Leinster House and with Ray MacSharry when I met with him
17 in December 1987 in his offices in the Department of Finance and when I met
18 with him in his clinic in Sligo".
19

12:08:37 20 You see that statement to the Tribunal from Mr. Gilmartin?

21 A. Yes.

22 Q. 55 Again, is it your evidence that you have no recollection of ever discussing
23 rezoning of the Westpark lands with Mr. Gilmartin at any stage?

24 A. At any stage ever and I don't think at that stage in so-called August of '87 or

12:08:54 25 the Departmental alleged meeting of December, that even this project had
26 reached the embryo stage. So how one could talk about rezoning, which wasn't
27 my affair or my business anyway.

28 Q. 56 The --

29 A. The answer is no, I didn't have any discussions with him.

12:09:13 30 Q. 57 There is a credit application document discovered to the Tribunal by the Bank

12:09:16 1 of Ireland dated the 3rd of March 1989 at 3917. Mr. Gilmartin was seeking
2 facilities to pay Mr. O'Callaghan monies on foot of an agreement that he had
3 entered into with him. And this is a document prepared within the bank in
4 relation to the consideration of those facilities. And at 3919 under the
12:09:35 5 heading "progress of the development to date" the bank record the following.
6
7 Initially Mr. Gilmartin. Sorry. "Initially Mr. Gilmartin met tremendous
8 opposition from the planners and corporation officials to the proposals. He
9 had a variety of meetings with all of the relevant County Council corporation
12:09:51 10 and planning officials and is now making considerable progress. He has met
11 MacSharry while he was Minister for Finance and P Flynn, current Minister for
12 the Environment and also B Ahern, Minister for Labour. It is my understanding
13 that he had their complete support and that they have intervened on several
14 occasions to clear obstacles for him. He's apparently the current government's
12:10:10 15 political support at the highest level".
16
17 Now, this is something recorded as having within told to the bank by Mr.
18 Gilmartin. And that would have been recorded in March of 1989.
19 Now, at this stage you are in Brussels from the previous January, isn't that
12:10:27 20 correct?
21 A. That's correct. But I had no control over what people used my name or where
22 they use it but the bank never were in touch with me asking me was that, or
23 could I verify that. An in actual fact, as you rightly said, I was in Europe
24 at the time.
12:10:41 25 Q. 58 Now, the Tribunal I think in October 2004 at 3016, wrote to you concerning your
26 involvement in raising funds for Fianna Fail and in particular your involvement
27 in approaches made to Mr. O'Callaghan in 1993 for funds, isn't that right?
28 A. That's correct.
29 Q. 59 And you were asked for a detailed narrative statement concerning your
12:11:09 30 approaches to Mr. O'Callaghan at that time. And I think you provided a

12:11:12 1 statement on the, dated the 22nd of October 2004, at 3019. And I will just
2 read that statement to you and ask you one or two questions arising out of that
3 if I may, Mr. MacSharry.
4

12:11:25 5 "You refer to the letter of the 19th of October addressed to your solicitors
6 Arthur Cox seeking a narrative statement in relation to your dealings with Owen
7 O'Callaghan."
8

9 CHAIRMAN: Sorry, Mr. Quinn, can you go a bit slower please.

12:11:36 10

11 MR. QUINN: 3019, please.
12

13 CHAIRMAN: No, no just go a bit more slowly.
14

12:11:39 15 Q. 60 MR. QUINN: Oh, sorry. I think you say at paragraph one in "1993 having
16 returned to Ireland following my term in Brussels as European Commissioner, I
17 was approached by Fianna Fail and asked to assist the party in raising funds to
18 pay off the debts of the party at that time. It was envisaged that legislation
19 would introduced to limit funding of political parties to State funding and
12:11:56 20 therefore each of the political parties was seeking to raise funds from
21 business prior to that change being introduced."
22

23 Paragraph 2 you say "I sought funds from Mr. O'Callaghan and others at the
24 request of Albert Reynolds, then Taoiseach and Bertie Ahern then Minister for
12:12:13 25 Finance".
26

27 At paragraph three you say that "I understand that following the request
28 referred to in this statement Mr. O'Callaghan made a donation to Fianna Fail of
29 80,000 pounds in June of 1994. I attach a copy of a letter received from
12:12:23 30 Fianna Fail in this regard".

12:12:25 1 Paragraph four you say that "My recollection is that a letter was written to
2 Mr. O'Callaghan by Mr. Reynolds and Mr. Ahern seeking funding and indicating
3 that I would be in contact with him. I telephoned Mr. O'Callaghan's offices in
4 Cork to set up a meeting".

12:12:37 5
6 At paragraph five. "To my recollection I had only one meeting with Mr.
7 O'Callaghan which was held in a Dublin hotel, I believe either the Burlington
8 Hotel or Jurys Hotel I cannot recall the date of the meeting".
9

12:12:49 10 At paragraph 6 you say "see one above" and then you give others that you
11 approached for funding and the amounts received by you from some of those that
12 you approached, isn't that right?

13 A. That's correct.

14 Q. 61 You say that "I did not receive any amount from any of the other parties
12:13:02 15 approached by me and I assume details of any donations received by Fianna Fail
16 from the parties approached by me could be made available by Fianna Fail to the
17 Tribunal".
18

19 And then I think you had accompanied that letter with a letter to you from the
12:13:16 20 financial and administration director of Fianna Fail which is at 3020. And
21 they were able, the director was able to confirm to you that the Fianna Fail
22 records show the receipt of 80,000 pounds on the 23rd of June 1994, from Mr.
23 O'Callaghan and the receipt having issued in the No. 1574 in acknowledgement of
24 those funds, isn't that correct?

12:13:41 25 A. That is correct.

26 Q. 62 Yes.

27 A. And I was asked by Bertie Ahern and Albert Reynolds some months after I
28 returned from Brussels would I help because of the substantial debts at the
29 party at that time, something like three million.

12:13:59 30 Q. 63 Yes. You will have seen added to the brief extracts from Mr. Ahern's diary for

12:14:06 1 June 1993. For example if we could have 27970. The 17th of June 1993 bottom
2 left hands corner shows a 5 p.m. meeting with Flor Crowley and Ray MacSharry,
3 do you see that?
4 A. Yes.

12:14:24 5 Q. 64 Is that a meeting that you may have discussed matters with Mr. Ahern concerning
6 the financing --
7 A. Yes, Flor Crowley was the man Lord rest him, he is dead. He was the man who
8 asked me would I help out the at party and arranged a meeting with Mr. Ahern
9 and Minister for Finance and Mr. Reynolds, the Taoiseach. In actual fact we
12:14:45 10 had lunch, the three of us, with Mr. Reynolds.

11 Q. 65 Yourself, Mr. Crowley, Mr. Ahern and --
12 A. No, Mr. Crowley, myself and Mr. Reynolds. I don't think Mr. Ahern was present
13 at that meeting.

14 Q. 66 Yes. And do you say that that meeting would've taken place sometime?
12:14:59 15 A. June/July.

16 Q. 67 June July of 1993?
17 A. That's correct.

18 Q. 68 And during the course of that meeting did you agree to assist the party in
19 seeking funds from individuals?
12:15:13 20 A. I did, on the following basis; that they already had a mechanism in place and a
21 special fundraising committee which were organising various types of
22 fundraising. And I said if letters were sent from the Taoiseach, Albert
23 Reynolds, and the Minister for Finance, Bertie Ahern, to certain people and
24 copies of them were given to me, I would then follow-up that approach on their
12:15:43 25 behalf with those people, which I did, as you referred to earlier in a letter
26 about a number of people. And it's not exhaustive here this list because I
27 wasn't the only one that was doing this, there were representatives of other
28 political parties doing it. Because if I give you an example, Mr. Quinn. Take
29 the banks or some of your other corporations, like, it appeared in their public
12:16:08 30 accounts in '94 maybe '95. Political donations, 200,000. Pro rata to the

12:16:16 1 votes that parties got. Fianna Fail would have got about 80,000 out of those
2 and then so on 50, 30 down. All political parties who asked. And they all got
3 some contributions because it was coming to the end of corporations providing
4 unlimited sources to political parties.

12:16:34 5
6 So it wasn't just Mr. Owen O'Callaghan, it was a series of people. And there
7 were parties or representatives of other parties doing the same as I was. In
8 fact, CRH is not on my list but that was done in the Fianna Fail Party
9 benefited from the same pro rata distribution. And all of these amounts were
10 published in their public accounts the following year.

11 Q. 69 So --

12 A. So it was a programme that was organised by us at the time.

13 Q. 70 Now, I think there had been, I think you made reference to a fundraising
14 committee already in existence, a Finance Committee, isn't that right?

12:17:10 15 A. Yes.

16 Q. 71 And that committee I think might have been assisted by Mr. Richardson, Mr. Des
17 Richardson?

18 A. Yes.

19 Q. 72 Isn't that correct? And did you have occasion to speak to Mr. Richardson
20 concerning your possible involvement?

21 A. He was my contact subsequently.

22 Q. 73 He was your contact within Fianna Fail?

23 A. Within Fianna Fail. I wasn't a member of that committee.

24 Q. 74 Yes.

12:17:29 25 A. But there were other members who I do recall, the late Senator Owen Ryan and
26 Roy Donovan, I don't know all of the committee members but my contact who gave
27 me the copies of the letters that were sent to the various people.

28 Q. 75 Can I ask you --

29 A. It was Des Richardson that gave me those letters.

12:17:48 30 Q. 76 Yes. Can I ask you, Mr. MacSharry, were you involved in the process which

- 12:17:52 1 identified the people who would receive those letters?
- 2 A. No, no, none at all.
- 3 Q. 77 Had that process been gone through before you became involved?
- 4 A. Oh, yes. I don't really know how it came up. I was just given a series of
- 12:18:05 5 letters and I'm not going to mention some of their names because they wouldn't
- 6 even meet me for many reasons. But many of them did meet us and did
- 7 contribute.
- 8 Q. 78 Yes. And you were given those names or those copies letters that had gone to
- 9 those people by Mr. Richardson, is that correct?
- 12:18:21 10 A. Well signed by Mr. Ahern and Mr. Reynolds.
- 11 Q. 79 Yes.
- 12 A. But given to me by Mr. Richardson.
- 13 Q. 80 Who was coordinating the --
- 14 A. Yes.
- 12:18:29 15 Q. 81 And you say that you together with others would have been given a series of
- 16 people to contact based on as a follow-up on the letters, is that correct?
- 17 A. Well I'm not sure what others were doing but this is the process that I was
- 18 involved in.
- 19 Q. 82 And did you have any involvement in selecting the people that you would
- 12:18:45 20 approach?
- 21 A. None at all.
- 22 Q. 83 And how was it decided upon that you would approach Mr. O'Callaghan for
- 23 example?
- 24 A. Because I was given the copy of the letter that was given to him just the same
- 12:18:57 25 as I was given with the other people mentioned.
- 26 Q. 84 Did you know that Mr. O'Callaghan had met with and knew Mr. Reynolds for
- 27 example?
- 28 A. I had some idea that he had. I didn't personally know him all that well I
- 29 suppose.
- 12:19:11 30 Q. 85 I appreciate that but he would have, you would have known that he would have

- 12:19:14 1 known Mr. Reynolds much better than you knew him, isn't that right?
- 2 A. Absolutely.
- 3 Q. 86 And yet you were being sent to him, a total stranger, so to speak.
- 4 A. Yeah.
- 12:19:23 5 Q. 87 As a follow-up?
- 6 A. But it was a follow-up of a letter signed by the Taoiseach, Mr. Reynolds and
- 7 the Minister for Finance, Mr. Ahern.
- 8 Q. 88 If we could have 10075, please. I think you are referring to a letter of
- 9 September 1993. Signed as you say by the Taoiseach and president of Fianna
- 12:19:40 10 Fail, Mr. Reynolds and Mr. Ahern who was I think at that stage the Chairman of
- 11 the National Finance Committee, isn't that right?
- 12 A. That's correct.
- 13 Q. 89 And is that the letter to which you refer?
- 14 A. That is and I have exact same letter here.
- 12:19:54 15 Q. 90 Yes.
- 16 A. But addressed to a different person.
- 17 Q. 91 Yes.
- 18 A. So it was a similar letter that went to a number of people.
- 19 Q. 92 Yes. And I think this letter advised Mr. O'Callaghan of the financial
- 12:20:04 20 situation of Fianna Fail and the fact that the party debt had risen to in
- 21 excess of 3 million pounds. Isn't that right?
- 22 A. That's correct.
- 23 Q. 93 And I think it asked and advised him that a senior representative of the
- 24 National Treasurers Committee would be in touch with him personally in regard
- 12:20:20 25 to the matter in the near future. And were you --
- 26 A. They obviously gave me a title.
- 27 Q. 94 I see. You were the senior representative of the National Treasurers
- 28 Committee?
- 29 A. Yes.
- 12:20:29 30 Q. 95 The National Treasurers Committee, was that a committee established to deal

- 12:20:34 1 specifically with the Fianna Fail debt of 3 million or was it an ongoing
2 committee?
- 3 A. I'd say it's an ongoing committee. I wouldn't know for sure but I would
4 imagine it's an ongoing committee and there's probably a committee similar to
12:20:47 5 it today in existence today.
- 6 Q. 96 If we could have 27399. There is a draft of a letter from Mr. Richardson to
7 you which has been discovered to the Tribunal, a copy of which you will have
8 seen where Mr. Richardson says:
9
- 12:20:59 10 "Dear Ray. Further to our recent discussions in the hotel foyer of the Berkley
11 Court Hotel, I would appreciate the opportunity to discuss the Fianna Fail debt
12 further with you in more detail. I would be delighted to listen to any ideas
13 you may have which may be of assistance."
- 14 A. What's the date of that letter?
- 12:21:14 15 Q. 97 Its undated.
- 16 A. Uh-huh. Well it's probably between the period of June/July meeting the
17 Taoiseach and the Minister for Finance and ultimately when I met
18 Mr. Richardson.
- 19 Q. 98 And I think your evidence to the Tribunal has been that you did meet with Mr.
12:21:30 20 O'Callaghan at some stage possibly before Christmas of 1993?
- 21 A. I did yes.
- 22 Q. 99 As a follow-up?
- 23 A. Yes.
- 24 Q. 100 And that meeting you say took place in Dublin and was that by prior
12:21:40 25 appointment?
- 26 A. It was by prior appointment, yes. With his secretary in Cork.
- 27 Q. 101 Through his secretary?
- 28 A. Through his secretary. And I think he arrived from Cork on the train I think
29 that morning.
- 12:21:54 30 Q. 102 Yes. You had never met Mr. O'Callaghan prior to this?

- 12:21:57 1 A. No, not formally anyway. Like, again, as a politician it's almost impossible
2 to say I didn't meet X or Y. You are meeting people every day, every time you
3 turn out, every time you had a clinic. So let's remember the thousands of
4 people you met. But insofar as meeting them or having any dealings with him,
12:22:17 5 the answer is no.
- 6 Q. 103 Yes. And I think a figure of 100,000 pounds appears to have been suggested or
7 agreed as Mr. O'Callaghan's contribution at that time?
- 8 A. Yes, well I was asked rather than the people that might be given 1,000 or 5,000
9 that I should be meeting people and looking for anything from 50 to 100,000.
- 12:22:40 10 Q. 104 And did you --
- 11 A. And those were the kind of corporations and individuals that I did meet.
- 12 Q. 105 And did you have a figure of 100,000 in mind when you went to meet with Mr.
13 O'Callaghan?
- 14 A. Yes.
- 12:22:50 15 Q. 106 And did you ask Mr. O'Callaghan for 100,000?
- 16 A. Yes.
- 17 Q. 107 And did he agree to give 100,000?
- 18 A. Yes. He would consider it further but he was favourably disposed to do so. As
19 you know it ended up at 08 because he gave some of it away to other parties.
- 12:23:05 20 Q. 108 Well I think he gave ten at a fundraising lunch on the 11th of March 1984,
21 to -- attended by Mr. Reynolds and I think he gave a further ten he says to
22 Mr. Crowley leaving a balance of 80?
- 23 A. Uh-huh.
- 24 Q. 109 Did you know that he had given those two tens?
- 12:23:25 25 A. No, I didn't, no.
- 26 Q. 110 Yes.
- 27 A. I only knew when I searched after the Tribunal asked me, to Fianna Fail
28 headquarters. I only then knew that it was 80.
- 29 Q. 111 When you were asked to approach Mr. O'Callaghan did you make inquiries about
12:23:42 30 Mr. O'Callaghan from either Mr. Richardson or Mr. Ahern or Mr. Reynolds?

- 12:23:47 1 A. No, I didn't. I was following up a name that both the Taoiseach and the
2 Minister for Finance had asked for support.
- 3 Q. 112 Yes. But they must obviously have advised you that this was someone who could
4 be asked for as much as 100,000?
- 12:23:59 5 A. No, they didn't advise me at all. I mean, they just, we talked in principle at
6 the lunch that I mentioned in June/July of '93. And that this was the approach
7 we were going to adopt.
- 8 Q. 113 But I think --
- 9 A. Whose names appeared weren't even mentioned at that meeting. And subsequently
10 came to my attention through Mr. Des Richardson.
- 11 Q. 114 But did Mr. Richardson tell you that this was someone who you could approach
12 for as much as 100,000?
- 13 A. Well I was only to approach people on the basis of looking for 50 to 100,000.
- 14 Q. 115 Yes. And you asked for 100,000 and Mr. O'Callaghan appears to have agreed to
12:24:35 15 give 100,000?
- 16 A. Yes.
- 17 Q. 116 You didn't ask for 50,000 for example?
- 18 A. No, I didn't. I asked everybody for 100. But if I got 50 I'd be happy.
- 19 Q. 117 Now, I think you wrote to Mr. O'Callaghan then on the 30th of June at 11163,
12:24:51 20 advising him that you had been informed by Mr. Richardson of his very generous
21 response to the request made by Albert and Bertie, isn't that right?
- 22 A. That's correct.
- 23 Q. 118 And you appreciated his delivery on his undertaking given to you at a recent
24 meeting?
- 12:25:08 25 A. Absolutely.
- 26 Q. 119 That letter is dated June '94. I think the payment was made on the 23rd of
27 June '94. That would seem to suggest that Mr. O'Callaghan took some time to
28 get back to you in relation to the matter?
- 29 A. He did.
- 12:25:21 30 Q. 120 I think you had met him before Christmas '93?

- 12:25:23 1 A. I had met him in December '93, yes.
- 2 Q. 121 And the payment the 80,000 pounds payment had been made on the 23rd of June
- 3 '94. He had made the two 10,000 pounds payments one in March '94 and the one
- 4 to Mr. Crowley I think in May '94?
- 12:25:39 5 A. Uh-huh.
- 6 Q. 122 Yes.
- 7 A. Well I probably might have written another letter to him, I don't know, in the
- 8 system because when I went to look in the system for all of this correspondence
- 9 I couldn't find anything in the Mr. Richardson offices.
- 12:25:58 10 Q. 123 Yes.
- 11 A. And I may have written to him in that period between December and June asking
- 12 him if he was prepared to honour the commitment that he gave me in December of
- 13 '93, I don't know but I could have.
- 14 Q. 124 And I think that the payment was properly receipted within Fianna Fail and
- 12:26:11 15 credited to Mr. O'Callaghan, isn't that correct?
- 16 A. That is correct.
- 17 Q. 125 And presumably, you would have been anxious that that would have been done and
- 18 that would?
- 19 A. No, absolutely. You can be sure and was in relation to any other resources
- 12:26:25 20 that I collected, actually collected myself or physically collected.
- 21 Q. 126 Yes. If we could have 14788 please. This is a receipt dated the 23rd of June
- 22 '94 for 80,000 pounds to Mr. O'Callaghan of O'Callaghan Properties Limited.
- 23 Was that a standard type receipt that would issue at that time for monies?
- 24 A. I wouldn't be familiar with it but I presume that would be ...
- 12:26:54 25 Q. 127 Now, can I just ask you one final thing, Mr. MacSharry?
- 26 A. I don't know why private dinners is on the top of it.
- 27 Q. 128 Yes. I think that when you came back to Ireland you have advised that you were
- 28 contacted as you have just said by Fianna Fail and asked to assist in that
- 29 fashion. But before you left I think you and you have given evidence of this
- 12:27:24 30 in relation to, in the first part of this module, in relation to the question

- 12:27:27 1 of designation I think in 1987, I think in December 1987 you have given
2 evidence in relation to the designation or the extension of the designation of
3 the Arlington site in Bachelor's Walk and you have given evidence of the
4 corporation being anxious that the designation of the site would go through,
12:27:46 5 isn't that right?
- 6 A. Yes. CIE and the Department of Transport as well.
- 7 Q. 129 If I could have 14309, I think this is a memo dated the 10th of December 1987.
8 And it's I think created within a memo created within the Department of
9 Finance, but it's created on, in relation to a proposed or memo which had come
10 through from the Department of the Environment. You recall giving evidence in
11 relation to this?
- 12 A. I do.
- 13 Q. 130 And at 14310, I think proposal No. 4 was a proposal for the designation of the
14 Tallaght town centre for urban renewal, isn't that right?
- 12:28:22 15 A. That's correct.
- 16 Q. 131 I think you have in your own handwriting written in the word "Chapelized" on
17 the right-hand side, isn't that right?
- 18 A. Yes.
- 19 Q. 132 And I think that during the discussion of Tallaght you would agree that there
12:28:33 20 had to have been some mention of a proposal to designate Chapelized or
21 Palmerstown?
- 22 A. Well Blanchardstown was definitely mentioned and there is letters toing and
23 froing refusing it because as you rightly said yourself, Mr. Quinn, the
24 Department of Finance would be initial response opposed to any of these tax
12:28:56 25 designations because of tax foregone and it was only government decisions that
26 ultimately decided.
- 27 Q. 133 And I think throughout 1987 and '88 there had been and he be deed subsequently
28 and evidence has been given on this, there had been lobbying of the Department
29 of both Finance and the Environment by Green Properties for the designation of
12:29:16 30 Blanchardstown, isn't that right?

12:29:18 1 A. That is correct.

2 Q. 134 But it hadn't come through?

3 A. It hasn't ever come through.

4 Q. 135 Yes. And I think that by 1994, I think you had you yourself had I think been
12:29:31 5 appoint to the board of Green Properties I think you were appointed on the 12th
6 of April 1994?

7 A. That's correct.

8 Q. 136 And can I ask you --

9 A. And I became Chairman I think a year later then.

12:29:40 10 Q. 137 And you became Chairman a year later. Now, the Tribunal has heard evidence.
11 If I could have 10805, that in March of 1994, you were appointed I think on the
12 12th of April '94. But in the previous month Mr. O'Callaghan had been advising
13 the bank that he had, that he was aware that Blanchardstown had been again
14 seeking designation. Do you see -- what's on screen, Mr. MacSharry, is a
12:30:06 15 memorandum prepared by Mr. Michael O'Farrell within Allied Irish Banks of a
16 telephone conversation he had with Mr. O'Callaghan on the 2nd of March 1994.
17
18 And if you look at the third paragraph there he says this is Mr. O'Farrell
19 speaking. He says "I raised the matter of designation with him" him is
12:30:24 20 Mr. O'Callaghan "He indicated that he is aware that Blanchardstown had been
21 seeking designation. He has indicated in political circles that he is not
22 seeking designation for Quarryvale on the basis that same is not forthcoming
23 for Blanchardstown either. He believes that he is well ahead of Blanchardstown
24 in terms of anchor interest and the introduction of designation to both sides
12:30:49 25 would level the playing pitch and he would lose his advantage.
26
27 He is happy that designation for Blanchardstown is not on the agenda. A
28 further factor in this regard would be the financial pressures that the various
29 councils are under. Designation would of course reduce revenues available to
12:30:56 30 the councils over the next ten years because of rates remissions".

12:30:59 1 Can I ask you, that when you came to be appointed to the board of Green
2 Properties. Were Green at that stage involved in seeking designation for
3 their --

4 A. Not to my knowledge. But prior to that when I was Minister for Finance they
12:31:14 5 even tried back in 1987.

6 Q. 138 But by 1994, do you recall any discussions or any efforts to seek designation
7 on the site?

8 A. It wasn't an issue that I dealt in any way with any political contacts
9 whatsoever.

12:31:27 10 Q. 139 Do you recall any discussions within the board of any Green Properties after
11 April 1994 where this was discussed?

12 A. There may have been some and there may have been discussions which would say
13 like just I think as has been said here, if one was going to get it the two
14 should get it. If one got it they would have a better advantage over the
12:31:46 15 other. In actual fact, neither got it. Insofar as I am concerned and my
16 involvement with Green Property, I never sought it through any political
17 circles.

18 Q. 140 Thank you very much, Mr. MacSharry. If you just answer any questions anybody
19 has for you.

12:32:00 20

21 CHAIRMAN: Mr. Keating do you want to ask?

22

23 MR. KEATING: No, Chairman, I have no questions.

24

12:32:07 25 CHAIRMAN: Mr. Lenny, do you want to ask?

26

27 MR. LENNY: No.

28

29 CHAIRMAN: Thank you, Mr. MacSharry for your attendance

12:32:12 30 A. Am I finished here?

12:32:13 1

2

CHAIRMAN: Yes.

3

4

12:32:16 5

THE WITNESS THEN WITHDREW.

6

7

CHAIRMAN: Our witness tomorrow is not available, is that right?

8

9

MS. DILLON: No, Sir. And it looks like that on Friday -- it looks unlikely

12:32:23 10

that there will be a sitting on Friday.

11

12

CHAIRMAN: All right. We'll be sitting next Tuesday at 10:30.

13

14

MS. DILLON: May it please you, Sir.

12:32:30 15

16

CHAIRMAN: All right. Thank you.

17

18

THE TRIBUNAL THEN ADJOURNED UNTIL TUESDAY, 13TH MAY 2008,

19

AT 10:30 A.M.

12:33:58 20

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