

THE TRIBUNAL RESUMED AS FOLLOWS ON MONDAY, 2ND OCTOBER

2000, AT 10:30AM:

CONTINUATION OF EXAMINATION OF MR. HAUGHEY BY

MR. COUGHLAN:

Q. MR. COUGHLAN: Mr. Haughey, in the first instance today I intend dealing with what is described as the P V Doyle loan in the book of documents that we furnished.

Now, in the first place, Mr. Haughey, can you be of any assistance to the Tribunal of your own knowledge about what is described as the P V Doyle loan?

A. I think I have to rely very largely on what you can put before me Mr. Coughlan, because I don't have any particular recollection of it or no documentation in connection with it, but as we go through the documentation, perhaps I can be of assistance.

Q. Very good. Well, I suppose, in the first instance, perhaps I'd ask you, did you know Mr. P V Doyle?

A. I haven't got my booklet, but I am sure I'll get one. I did.

Q. You knew Mr. Doyle.

A. Yes.

Q. And for how long did you know him?

A. At what stage?

Q. Well, did you know him from the 1980s, the 1970s, the 1960s? Was he a person you knew

A. I certainly knew him in the 1980s and probably before that.

He was a prompt figure in the Irish tourist industry and in the hotel industry.

Q. Now, I will just arrange for you to have it's volume 3.

And if you go to divider 2, Mr. Haughey.

A. Yes, I have that.

Q. I'll come back to deal with fairly extensive documentation,

it's fairly complex and it will take some time to go

through, but perhaps I could ask you, first of all, if you

have considered the evidence given to this Tribunal by Mr.

George Carvil, and I think we have copied perhaps the

transcript of Mr. Carvil 's evidence to you as divider 2.5.

I beg your pardon, we may not have sent it this time, but I

think you would have been furnished with the transcripts of

Mr. Carvil's evidence. And perhaps I can summarise it for

you as best I can and ask you for any views you may wish to

make on that particular

A. I'd be grateful if you'd do that please.

Q. Mr. Carvil gave evidence on day 28, which was the 9th July

1999, and he informed the Tribunal that he was formerly

Deputy Managing Director and Secretary of Doyle Hotel

Group. Did you know Mr. Carvil, by any chance?

A. No, sir.

Q. Now, Mr. Carvil informed the Tribunal that he had a vague

recollection of Mr. Doyle mentioning that he had guaranteed

a loan to Charles Haughey through Guinness and Mahon, but

that George Carvil need not worry as Mr. Haughey had agreed

to pay the interest and refund the capital. That's the evidence that he gave that he had this vague recollection of Mr. Doyle telling him that.

He informed the Tribunal that in March 1988, he attended a meeting at the Berkley Court Hotel at the request of Mr. Traynor. Mr. Willy Corrigan, who was a solicitor here in town and I think took over as Chairman of the group after Mr. Doyle's untimely demise for a period, and Mr. David Doyle who was a son of Mr. P V Doyle's, were also present. Mr. Traynor explained that Mr. P V Doyle had an account in Guinness and Mahon at the date of his death with approximately 150,000 due or outstanding on the account. Mr. Doyle had died on the 6th February 1988. Mr. Carvil informed the Tribunal that Mr. Traynor explained that this was an account that Mr. P V Doyle had opened to facilitate Mr. Charles Haughey, who was financially embarrassed at the time. The arrangement was for interest and capital to be repaid by Mr. Haughey and some repayments had been made but these had stopped and the situation was and this is a quote from Mr. Carvil "There wasn't a hope in hell of the loan being repaid," or words to that effect. Mr. Carvil informed the Tribunal that as interest was running on the overdraft and as it appeared that there was no hope of recovery, it was recommended to Mrs. Margaret Doyle, the widow of Mr. P V Doyle, that the account be closed and that this was done with the payment 150,230 on the 23rd March 1988. The cheque was drawn on the account

of P V Doyle Holding Limited, which was the holding company through which roughly 10 to 15 trading companies were held by this holding company. The Estate of Mr. Doyle ultimately reimbursed the holding company.

Mr. Carvil informed the Tribunal that other than a payment in 1987 of 9,966.74 brought to his attention by the Tribunal, he had no other knowledge of the operation of P V Doyle's overdraft facility at Guinness and Mahon.

Mr. Carvil informed the Tribunal that the words used by Mr. P V Doyle at the time he told Mr. Carvil of the arrangement were possibly facilitated or accommodated Mr. Haughey, his understanding was that P V Doyle was somehow backing Mr. Haughey. He informed the Tribunal that in his conversation with P V Doyle, there was no mention of a second loan.

Now, I'll be coming back to deal with documents, I just want to give you a brief summary in the first instance.

Now, he says that Mr. Traynor was an adviser to the company, that is to the Doyle group of companies. He discussed all acquisitions with him. He did not, at any stage, have an official position in the company, but I think he became a Director of the company after Mr. Doyle's death.

A. I think he became Chairman, I am not sure, but

Q. He became a Director, either himself or Mr. Corrigan

became Chairman, but I think that they were the two elder businessmen or advisers who assisted the younger members of the family and Mrs. Doyle, I think in the company afterwards.

Now, Mr. Carvil informed the Tribunal that they that is the people handling Mr. Doyle's affairs after his death did not seek to negotiate the loan because it was just four to five weeks after Mr. Doyle's death and everyone was in a state of shock at that time. He informed the Tribunal that the Doyle Group were not aware of the time that the loan they were not aware at the time that the loan had been discharged and that there was no loan outstanding in the books of Guinness and Mahon in the name of P V Doyle. This relates to a second loan or a second cheque for 9,966.

I'll come to deal with these particular documents in a moment, and I'll be going through specific documents and cheques and account statements in Guinness and Mahon in a moment.

Now, do you, or did you at the time, know that Mr. Doyle had guaranteed a loan on your behalf or he had taken out a loan or guaranteed a loan around that time in 1988 sorry, prior to 1988?

A. I wasn't aware of the actual mechanics of the thing, but my recollection is that I was aware that Mr. P V Doyle was helping out with regard to my finances with Mr. Traynor.

Q. That was in the sometime in the mid-1980s, at least?

A. I would think so, whenever the date is, yes.

Q. And had you discussed that with Mr. Doyle yourself?

A. No.

Q. Had you discussed it with Mr. Traynor, obviously, if you had some knowledge of it?

A. Mr. Traynor would have informed me, yes.

Q. And can you remember what he did inform you of?

A. I don't think he informed me of, as I say, the operation, the mechanics of it. But my recollection is that I was aware, anyway, that Mr. P V Doyle was helping out with regard to my situation in conjunction with Mr. Traynor.

Q. Well, to the best of your recollection, Mr. Haughey, can you remember in broad terms what Mr. Traynor said to you? Was it that Mr. Doyle was helping out or that Mr. Doyle was advancing money or words to that

A. I think your first what you have said first there is correct. My recollection would be that he would have said to me that Mr. P V Doyle, whom we both knew well, was helping out with regard to my finances.

Q. And beyond that you didn't know any details of how that was being done?

A. No.

Q. I take it then you weren't aware that it was done by way of a guarantee in respect of a loan?

A. Definitely not, no. Sorry, Mr. Coughlan, I am still not too clear. Is it that Mr. P V Doyle took out a loan in

his own name and gave the proceeds to Mr. Traynor?

Q. Yes. Well, the loan was taken out in Guinness and Mahon in Mr. P V Doyle's name and the proceeds were applied for your benefit. That is the actual mechanics of the situation.

A. I understand that, yes.

Q. Now, if we just look at the transaction so, Mr. Haughey, and if you go, I think, back to divider 2.3 in the first place. Now, these are documents which

A. It's number 27 and 28, is it?

Q. Yes, it begins document number 27, yes.

Now, Ms. Sandra Kells gave evidence to the Tribunal that there were three transfers from Amiens account, and I'll just give you the number of that Amiens account and you can take it what I am saying is correct, Mr. Haughey.

41006 to Charles J Haughey account in May of 1983 as follows: In May of 1983 there was 10,000 transferred from that Amiens account to the joint account of H Boland and C J Haughey, that's document number 27. We have been over that account already and I don't intend taking you back.

I just want to point out the documents to you.

A. These are transfers from

Q. From an Amiens account

A. From which to which though?

Q. Those are the one of the accounts I told you before that Mr. Traynor operated in his own name in Guinness and Mahon, and there was document number 27 shows a transfer to

that. Do you remember that joint account we discussed that you didn't know anything about and Mr. Boland didn't know anything about? That was an account in the joint names of H Boland and C J Haughey and that was on the 5th May of 1983 there was a transfer of 10,000 to it.

A. I understand it's a transfer from Amiens.

Q. Yes.

A. But to? What account?

Q. Do you remember we discuss

A. It's being transferred from the joint account?

Q. No. It's transferred from a Mr. Traynor account, an Amiens account, one of the accounts he held under his control, they had many different names but this is one of the Amiens accounts to the joint account in the name of Harry Boland and Charles J Haughey. Do you remember we discussed that?

Now, neither you nor Mr. Boland knew anything about this account.

A. So this is not then connected with the P V Doyle account.

Q. I'll come back and show exactly how everything then fits into place. I just want to bring these to your attention in the first instance, if I may.

Now, document number 28 then is a transfer of 80,000 on the 9th May 1983 from the same Amiens account to the number 2 current account in your name. Ultimately Ms. Kells gave evidence that these monies coming out of the Amiens



accounts were funded from the P V Doyle money. So if you just bear with me while we go through these for a minute.

Then on the 19th May, document number 29, there was a transfer of 30,000 from the same Amiens account to what is described as the number 1 account, which was in your name in Guinness and Mahon. These are what are described in banking circles as the records of the daily input log, they form part of records of the bank, it's how they trace things on a daily basis of what transactions were taking place.

Now, there then Ms Kells gave evidence that these transfers were funded by lodgements to the Amiens account from P V Doyle loan account number 6346006. This was what was known as the first loan account or the number 1 account of Mr. P V Doyle's.

And she then gave evidence that the dates and the amounts of the transfers were as follows and she had documents to show this:

Document number 30 is a transfer of 40,000 on the 5th May 1983. That is a statement of the Amiens account showing the sum lodged to it.

Document number 31 is a statement of the account showing 30,000 being lodged to the account on the 10th May 1983.

And document number 32 is a credit to the account or a

transfer to the account of 50,000 on the 2nd June 1983.

Now, the debit side of those transactions occurs in the next documents I will refer to because these debits are shown on the P V Doyle account, document number 33, and they were also verified by the bank's daily input logs, documents number 34.

The daily input logs are documents number 34 to documents number 38, and they show the transactions occurring.

So I think you can take it from me, Mr. Haughey, on the evidence that Ms. Kells gave, they were credits to the Harry Boland/Charles Haughey joint account, to the number 1 resident current account in your name, and to the number 2 resident account in your name from this Amiens account, which was controlled by Mr. Traynor, and they were transfers into that Amiens account funding the transfer to the accounts in your name from Mr. P V Doyle's loan account with Guinness and Mahon. That's how the transactions took place.

A. Could I make a comment?

Q. Yes, indeed.

A. First of all, it seems odd that the it does total 120,000 but in tranches, not just one

Q. Yes.

A. And secondly, am I right in thinking that it went from the P V Doyle account to the Amiens account to the number 1 account?

Q. Yes, or whatever accounts, yes, it was

A. Circuitous. Did Ms. Kells give any indication as to why that might have happened or

Q. Well, I don't think in this particular case she did, but one might ask the question, could it be to, in some way, put a distance between the money going from the P V Doyle account into accounts in your name?

A. That doesn't I don't think there was any as far as Mr. Traynor told me about this, and I don't see why he would have been found it necessary to be circuitous about them, but that's

Q. Anyway, it was, I think, that these are the facts. I suppose the without going through the exercise that we have gone through for the purpose of this Tribunal, on the face of it, there would appear to have been no direct link as Mr. Traynor organised it anyway, between Mr. P V Doyle and you, as he organised it?

A. Yes, though as you have just said, Mr. P V Doyle did tell his secretary

Q. Yes, His Deputy managing Director, Mr. Carvil

A. That this was happening.

Q. Yes, that's right, yes. And in fact, Mr. Traynor engaged in another procedure which appeared to distance the transaction as well, in that the second transfer there of 30,000, document number 31, on the 10th May 1983 was effected by the drawing of a draft for 30,000, and that's document number 36, and this was lodged to the Amiens

account, document number 37. So he took another I don't know if it was unusual, but he took another step, at least, of distancing the parties to the transaction by drawing a draft on the P V Doyle account made payable to the bearer and then had that lodged to the Amiens account. That's what he did in any event.

Now, there was a facility letter in respect of this loan or advance from Mr. P V Doyle and it was dated the 14th April 1983, and it provided for a facility of 120,000 which was unsecured and which was repayable on the 30th May 1985, and that's document number 39. And I think it's addressed to Mr. Doyle and it reads:

"Dear Mr. Doyle, further to our recent discussions, I have pleasure in confirming to you that we are prepared to make available to you the required facility of 120,000 on the following terms and conditions:

"Amount: 120,000.

"Security: Unsecured.

"Period: Repayable in full two years from first draw-down, say, 30th April 1985.

"Interest: Interest will be debited to the account yearly at 1% over base rate. Interest will be allowed to roll up and become payable on the 30th April 1985.

"Early repayment: Part or full repayment can be made at any time before 30th April 1985 without any penalty.

"Then enclosed is a copy of this letter and I will be grateful if you would kindly sign and return it to me.

"Yours sincerely, Mr. Traynor."

That was the facility letter granted to Mr. Doyle.

Now, I suppose it's probably unusual to have a loan unsecured, but bearing in mind Mr. Doyle's position and perhaps known assets and relationship, that nothing turns on that, Mr. Haughey.

Now, there was also on the records of Guinness and Mahon a loan decision memorandum dated 20th April 1983 and that's document number 40.

A. Yes, I see that.

Q. And that is just the bank's records of the decision to grant that facility to Mr. Doyle.

Now, the next document, document number 41, is a further facility letter dated 29th April 1985, which extended the term of the loan to the 30th April 1987. I don't think there is need to read that out.

The next document then is document number 42, and it is a minute of a credit committee recording the extension, and then there is a further minute of the 25th May 1987 increasing the facility to 160,000 and interest and

extended the term to the 30th April 1988, and that is document number 43. These are just internal bank documents recording these particular facilities granted.

Now, document number 44 records that the loan was cleared in February of 1988.

A. Document number?

Q. 44.

A. It's a bit vague, but I accept what you are saying.

Q. It is. I think it's the 26th February, I am not sure. I think it's 26th February, but what it is is it's the bank's record of the loan being cleared as of that date.

Now, there were four lodgements of interest to this loan account and I'll just deal with the documents recording those.

On the 30th April 1985, there was a payment of 52,495.86 and that is document number 45. I think you can see there credit to the account of 52,495.86. According to Ms. Kells'evidence, the source for this lodgement was a transfer from an Amiens account, another one of Mr. Traynor's accounts, but this one was number 08116008, and she tracked this on the bank's daily input log, which is document number 46, where she sees that transaction taking place across the bank's records or their daily input log 52,495.86.

Now, this particular Amiens account was the account into

which the cheque which came from Mr. Fustok was lodged, and I will deal with that later, and from which some Celtic Helicopters payments were made in March 1985. I just want to familiarize you with that particular account.

Now, a second lodgement took place to the P V Doyle loan account on the 9th June 1987, and this was in the sum of 9,966.74 and it is document number 49.

Now, again, Ms. Kells was able to inform the Tribunal that the source of that particular payment to the P V Doyle loan account was a transfer from an Amiens account number 10407014, document number 50. And this particular Amiens account was the same account through which what has been described as the Tripleplan cheque move. I just want to let you know the various accounts. I'll come back and deal with them because it's very hard to follow just the numbers of accounts.

Now, there was a third lodgement to this particular loan account on the 31st July 1987 and that was for 45,000 and that's document number 54. And according to Ms. Kells, this appears to have been funded by a cash lodgement as the monies appear to have been transferred from the bank's, that is Guinness and Mahon's, cash received account document number 55.

Now, on the 24th August 1987, there was a lodgement of 5,000 and this also appears to have been a cash lodgement

document number 56. The loan was repaid on the 25th February 1988 by a lodgement of 123,846, that's document number 57, and the daily input log shows that the source of the payment was a transfer from Amiens account number 10407014-B and that is document number 58.

There was a credit to the Amiens account, that Amiens account, of 150,230 on the 28th March 1988, document number 59, and the credit to that account represented the proceeds of a Bank of Ireland P V Doyle Holding Limited cheque dated 23rd March 1988 and signed M E Doyle, and those are documents number 60 and 61.

Document number 60 is one that has been reconstituted by us Mr. Haughey, because it was quite unclear. Document number 61 is the cheque made payable to Guinness and Mahon and signed by Mrs. Doyle for 150-odd-thousand pounds.

Now, we have carried out a calculation and the total paid for principal and interest on the loan was 238,775 being 120,000 for principal and 118,775 for interest.

Now, there was a second P V Doyle loan and I'll just go through the documents with you and then I can ask you questions, perhaps, about both of them when we have gone through the documents.

A further loan for 50,000 was provided by the bank to P V Doyle in December 1985. The facility letter is dated 11th



December 1985 and was for an unsecured loan to be repaid by the 31st December 1987. And that is document number 62.

Document number 63 contains a decision of the Credit Committee dated 10th December 1985 approving the loan for "personal purposes".

Now, the statement of the loan account, which is loan account number 06346014, shows that it was drawn-down in five tranches of 10,000, document number 64. And you can see document number 64 has five pages to it, it's the account statements number 1 to 5.

Now, Ms. Sandra Kells informed the Tribunal that the monies drawn-down appear to have been applied as follows:

On the 23rd December 1985, 10,000 was credited to Amiens account number 08880018, that's documents number 65 and 66, and the bank's file include a memorandum from Mr. Traynor to Mr. Pat O'Dwyer, an official of the bank, of the 20th December 1985 requesting a draft for 10,000 payable to Haughey Boland No. 3 account and costs to be debited to Amiens account number 08880018 and that's document number 67.

Now, the second 10,000 drawn down appears to have been applied as of the 23rd December 1985, and the statement of account and input log show that this related to a cheque for 10,000 payable to Frank Glennon Limited, documents number 68 and 69.

On the 29th January 1986, 10,000 was transferred to Amiens account number 08880018, documents number 70 and 71.

On the 14th February 1986, 10,000 was also transferred to Amiens account number 08880018, documents number 72 and 73.

On the 17th April 1986, 10,000 was transferred to the same Amiens account number 08880018, documents number 74 and 75.

Now, the statement of the Amiens account number 08880018 show that there were five debits to Haughey Boland & Co amounting to 90,000 and which were as follows this is all in document number 76.

On the 1st October 1986, 10,000 sorry '85; on the 20th December '85, 10,000; on the 13th February 1986, 10,000; on the 24th March 1986, 10,000; and on the 14th July 1986, 50,000.

This loan, that is this loan in the name of Mr. P V Doyle, was loss cleared on the 26th February 1988, document number 77.

And there were two other lodgements to the account both on the 26th January 1987 of 2,000 and 13,000, document number 78.

The daily input log for the 26th January 1986 shows that the lodgements of 13,000 was a transfer from Amiens 10407014 and that the lodgement of 2,000 was a cash

lodgement and those are documents number 79 and 80.

There was a lodgement of 27,000 to Amiens account number 10407014 on the 26th January 1987. The 27,000 and the 2,000 in cash which was lodged correctly to the P V Doyle loan account were made as part of the same lodgement. The daily input log shows that the 27,000 represented the lodgement of a cheque document number 81 sorry, I beg your pardon.

Document number 82, in fact, and there are documents 82 to 86 and these are cheques which were for the benefit of Mr. David Doyle. And Mr. David Doyle, in the course of evidence, informed the Tribunal that these cheques were for his benefit and that he gave them to Mr. Traynor, although he knew nothing about their being used for the purpose of being applied to that particular loan account to discharge interest. I'll come back and I'll go over that again.

Just to keep you informed.

Now, the loan itself was cleared by a lodgement of 48,182.27 on the 26th February 1988. That's document number 87. And this was the same day as the number 1 account was cleared. And the daily input log shows the clearing of both loans was part of one transaction, document number 88.

So the total sum paid to Guinness and Mahon for the number 2 loan account was 62,763.92 being 50,000 for principal and

12,363.92 for interest. So that the total sum paid as

between the two loans was 301,138.92.

Now, I know there are a lot of documents, and Ms. Kells and the Tribunal had to go through a fair search and analysis to trace all of the movements in respect of the loans, how they were moved, how interest was applied to them and how ultimately they were paid off.

Now, did you know anything about interest payments to these loans, to service these loans?

A. No.

Q. Now, I think whilst you may not have been aware of the mechanics involved, you told us you were aware that Mr. Traynor had informed you that Mr. Doyle was helping out with your finances at least.

A. Yes.

Q. Did he tell you to what extent Mr. Doyle was helping out with your finances?

A. No.

Q. Did you yourself ever have any dealings with Mr. David Doyle?

A. Not at that time, no.

Q. In respect of these matters?

A. No.

Q. Do I take it that you did have some dealings with Mr. David Doyle at some other stage?

A. Not dealings, no. Much, much later on he came to me about

a personal problem.

Q. A personal problem, unrelated to your finances?

A. Absolutely.

Q. Now, when Mr. P V Doyle died and the loan was paid off, did you have any discussions with Mr. Traynor at that time?

A. No.

Q. And were you unaware, so, that Mr. Traynor had had a meeting with Mr. Corrigan, Mr. Carviland Mr. David Doyle where he discussed the clearing off of the loan?

A. I was not aware of that, no.

Q. Or were you unaware of the fact that the loan was repaid ultimately out of the estate of Mr. P V Doyle?

A. No.

Q. You were unaware?

A. I was unaware of that.

Q. So when Mr. Traynor informed you that Mr. Doyle was helping out with your finances, can we take it that it was your belief that he must have received a donation or a contribution from Mr. Doyle?

A. I wasn't certain, but I am trying to think

Q. Yes, of course.

A. I certainly wouldn't have thought that it was by way of loan, but probably by way of donation or or maybe by way of personal loan to Mr. Traynor or donation. I wasn't aware of the background of a bank loan and all that

Q. Yes, the way it was worked out, the loan made available to Mr. Doyle and Mr. Traynor applying it.

A. It was also made available to Mr. Doyle from Guinness and Mahon.

Q. Yes, but he at least carrying the liability in respect of it to Guinness and Mahon.

A. Yes.

Q. That was the way it was structured.

Now, if Mr. Traynor had discussed the matter with you and informed you that it was by way of loan, of course you would have had an appreciation that the loan would have to be repaid at some time, some way; isn't that correct?

A. Well, I don't know that I would have thought that much about it.

Q. Very good. Well, if at the time when Mr. Doyle died and a meeting took place between Mr. Traynor and the people representing the Doyle Estate interest or the Doyle business interest, would you have condoned Mr. Traynor making the suggestion to them that there was no chance of the loan being paid off by you and that they'd have to see that it was paid off?

A. That wouldn't have arisen because I didn't know about it.

Q. No, I know you told us that, Mr. Haughey, but Mr. Traynor had this meeting with a group of with the exception of Mr. David Doyle, but Mr. Corrigan and Mr. Carvil, fairly senior men in the affairs of the Doyle companies or the Doyle family, and he, as another senior man, was informing them that there was this loan there, he informed them of

the purpose Mr. Carvil having known from Mr. Doyle, but he informed the meeting of the existence of this loan, the purpose for which the loan had been taken out, and the fact that it had to be paid off and that it wasn't going to be paid off by you or on your behalf and that they'd have to see about paying it off.

Now, what I am asking you is this: Is that if you had known that there was a loan, would you have condoned Mr. Traynor behaving in such a manner?

A. I can't comment on that, Mr. Coughlan, because I wasn't aware that this loan was outstanding or that Mr. Traynor had been making all the arrangements in connection with it or that it had to be paid off.

Q. I know that you informed us that you weren't aware, but you are now aware of the facts.

A. I am now aware of the facts.

Q. Yes, of the facts as has been outlined

A. By your good self.

Q. Yes, by the Tribunal.

What I am asking you is this: That you now know that it was done by way of loan and that the Doyle Estate had to carry the brunt of paying it off; I am asking you that looking at those facts, what is your view of Mr. Traynor's behaviour in respect of dealing with the closing of that account?

A. Well, I can't say, Mr. Coughlan. I mean, at this stage to

me it's all hearsay. It's you have produced documents which are speak for themselves. I do know, I am fairly certain that at that time, the time we are talking about, the time of Mr. Doyle's death and afterwards, that Mr. Traynor was, I think, in effect, running the financial affairs of the Doyle family.

Q. That could be so, he had a large involvement anyway, that is true.

A. I am not sure that he wasn't Chairman of the group, but

Q. He may have been or it may have been Mr. Corrigan, but the two of them were the senior men involved in the running of the affairs of the company and assisting the Doyle family.

There is no doubt about that.

But let's take it so, Mr. Haughey, and just look at the facts and remove from it what you described as the element of hearsay. It was undoubtedly hearsay when Mr. Carvil gave evidence of what Mr. Doyle told him, but I don't think there is any reason to doubt it, is there, because

Mr. Traynor informed you about it and there is no reason why Mr. Doyle shouldn't have informed Mr. Carvil about

A. At the outset.

Q. At the outset.

A. Yes.

Q. Now, Mr. Corrigan and Mr. Carvil, and I think Mr. David Doyle, have given evidence to the Tribunal of what Mr. Traynor said to them after Mr. Doyle's death, that the loan would have to be paid off and he had to look to them



to pay off the loan.

Now, again, that is hearsay. But what did happen and what the facts as established appear to suggest, is that the loan was paid off by the Doyles; isn't that correct?

A. That appears from the documents, yes.

Q. Now, if you had known that it was a loan for you, if you had known and you are now aware of that fact, would you have looked to the Doyles to pay off that loan at the time yourself?

A. I cannot say.

Q. Now, apart from the time that Mr. Traynor discussed with you the fact that Mr. Doyle was going to help out with your finances, that must have been at the beginning of these series of transactions we looked at when the loan was made available originally, would you agree?

A. Yes, I'd agree with that.

Q. And was that the end of any discussion that Mr. Traynor had with you, to the best of your recollection, about Mr. Doyle helping out?

A. To the best of my recollection, no, he didn't mention the matter any further.

Q. So I take it that around the time of Mr. Doyle's death, it was a major news item, he was a major figure in the business world or in the hotel business?

A. Mr. Doyle?

Q. Mr. Doyle.

A. Oh yes, very much so.

Q. And I take it that you must have had some discussion with Mr. Traynor about Mr. Doyle in general terms, how sad it was that he died at the time he did or

A. I was at the funeral.

Q. You were at the funeral?

A. Yes.

Q. And Mr. Traynor did not bring anything to your attention after Mr. Doyle's death about the approaches he was making to the Doyles?

A. No.

Q. Does that surprise you?

A. No. As I have already indicated on a number of occasions to the Tribunal, that Mr. Traynor had his own special way of doing business and it didn't involve a great deal of conversations of that sort.

Q. Can you remember where Mr. Traynor informed you of the fact that Mr. Doyle was giving a hand-out or helping with your finances?

A. Sorry?

Q. Can you remember where that conversation took place with Mr. Traynor?

A. No.

Q. Is it more than likely that that occurred at Abbeville?

A. Yes, very probably.

Q. It does not appear that from the information available to the Tribunal and the evidence given that you ever attended

Mr. Traynor at the offices of Guinness and Mahon; or if you did, it would have been irregularly, would you agree?

A. I think you are right, I cannot recall any particular visit to the office of Guinness and Mahon.

Q. And can we take it that after Mr. Traynor left Guinness and Mahon, you didn't attend him at any other office he occupied during the time he was Deputy Chairman and Chairman of, in the first instance, I think, Irish Cement?

A. I don't think I ever saw him

Q. In CRH.

A. When you say it might have been it was probably Abbeville, there is a possibility that it might have been at his own house.

Q. I see. Yes, I see. But it was either at Abbeville or at Mr. Traynor's own house

A. Almost certainly one or the other.

Q. And was it either at Abbeville or Mr. Traynor's own house that the discussions took place between yourself and Mr. Traynor about your financial affairs over the years?

A. Almost certainly always, there may have been other occasions

Q. Occasions, yes, but in the main?

A. In the main, yes.

Q. And why do you think Mr. Traynor told you that Mr. Doyle was helping out with your finances?

A. I couldn't say. Possibly because we both knew Mr. Doyle quite well. I really couldn't say.

Q. And I'll come to matters later in time at a future date with you, Mr. Haughey, but up to this time, this is the first time that Mr. Traynor discussed with you the identity of somebody who was going to help out with your finances?

A. I couldn't again, I couldn't be certain of that. All I can tell you is that I have a recollection, and you are asking me what I can recall about this P V Doyle loan.

And the only thing I can say to you in that connection is that I have a recollection that Mr. Traynor indicated to me that P V Doyle was helping out with regard to my finances.

Q. I understand that, Mr. Haughey, but it was this, the first time that Mr. Traynor informed you of the identity of somebody who was assisting or helping out with your finances.

A. Well, I can't say that either, but all I can say is that it was an occasion when he did mention this particular man, who was a friend of both of ours, that he was helping out with the finances.

Q. Mr. Doyle Mr. Traynor was a trusted financial adviser, I think, of Mr. Doyle and of the Doyle Group, to the best of

A. Very much so, yes.

Q. our knowledge at least anyway. And it would appear that Mr. Doyle was a client of Mr. Traynor's as well?

A. Well, I couldn't say that, but if you say it would appear, I would accept that, yes, he was certainly well, he was a very important adviser to Mr. Doyle and to the group.

And might I just say there, Mr. Coughlan, just to sort of round out that answer, he was also in a similar position to quite a lot of other people.

Q. Oh yes, I know. Mr. Doyle, at the time, was one of the bigger businessmen of Ireland, would you agree?

A. Well, he was certainly a leading businessman.

Q. He was a leading businessman.

A. Yes.

Q. And when you say that Mr. Traynor was an adviser to other companies or other businessmen, is that something that Mr. Traynor told you or is it something you just knew from general knowledge of his involvement on the boards of various companies?

A. I just knew from general knowledge. Mr. Traynor, I don't think, would I doubt if he ever mentioned acting as an adviser to any other individual or company.

Q. Mr. Traynor, on the documents we have opened, used a vehicle of his own, that is these Amiens accounts, to transfer the money from the loan given in the name of Mr. Doyle to accounts in your name, I think, isn't that correct, as we have seen?

A. You have outlined that, yes, and I accept your analysis.

Q. Can you think of any reason why that was necessary if Mr. Doyle knew the purpose for which the money was being advanced? In fact, he informed his Deputy Managing Director, and you knew from Mr. Traynor that Mr. Doyle was helping out. Can you think of any reason why Mr. Traynor

would need to put it through another vehicle?

A. No. And I have also, Mr. Coughlan, I mentioned to you myself that it didn't go in full, it went in tranches at different times.

Q. Yes. On the face of it, it would look as if the purpose was to put some distance between the accounts in your name and the loan account in Mr. Doyle's name, would you agree?

A. I can't say.

Q. Well, can you say on the face of it, it appears to have been for the purpose to obscure the transaction?

A. I don't think it's fair to ask me that question because I can't say, but let me say that I think your investigating on behalf of the Tribunal might be entitled to draw that conclusion.

Q. Now, if Mr. Traynor informed you about Mr. Doyle's involvement around 1983, did you have any discussions as to whether Mr. Doyle might have been somebody who had helped out earlier, that is, in clearing the debt to Allied Irish Banks?

A. Sorry?

Q. Did you ever ask him Mr. Traynor told you Mr. Doyle is helping out with your finances. Now, at that time, I was just wondering, did you have any discussion with him and just inquire was Mr. Doyle one of the people who helped out in clearing off Allied Irish Banks?

A. No.

Q. Does "no" mean you didn't ask or that Mr. Traynor didn't

tell and you had asked?

A. I think we have been over that ground, Mr. Coughlan, and I have indicated to you that I did not know that there were donors at the time, I still don't know. But at that time I didn't know that there were any donors in regard to the AIB settlement.

Q. I was just wondering, Mr. Haughey, why Mr. Traynor would have kept you in the dark back in 1979 and 1980, as you say it may have been he didn't want to disclose confidential information about his own clients to you or it may have been for your added protection. What is changed by 1983 that he was informing you about somebody assisting with your finances, a man to whom he was an adviser and was a client of his and he was letting you know so that the added protection wasn't there for you? Why do you think that change took place?

A. I don't know. And I don't know that there was any significant change involved. All I can tell you is that he did mention to me, for whatever reason of his own, that Mr. Doyle was helping out.

Q. Well, did you inform him when he told you that, look, I really don't want to know the identity of people who help out or assist because that could in some way I suppose "affect my judgement" might be too strong a word but that I don't want to have the added pressure of any external influences affecting me when I hold public office?

A. In connection with Mr. Doyle?

Q. Mm-hmm.

A. No, he would not, that wouldn't arise. He would know that Mr. Doyle was not the sort of person who would endeavour to exert any pressure of any sort on me.

Q. But can we take it that therefore, is it your evidence that as to whether you should or should not be told of the identity of somebody assisting was a judgement call for Mr. Traynor?

A. Yes, I think so, yes.

Q. That he was the one who was in a position to decide whether the person who was assisting was the type of person who might attempt to obtain an influence or the type of person who might not attempt to obtain influence?

A. Well, I certainly didn't think it out that far at the time. I just he was my trusted financial adviser. I left matters to him; and naturally, in the course of that handling of my affairs, he had to exercise judgement and discretion as he saw fit from time to time.

Q. And I suppose, would you agree, that in the exercise of that judgement, he had to be sure that if he was seeking assistance from somebody or an institution, that the individual or institutions would not be hostile to you in a political sense?

A. I think I have already mentioned that to the Chairman earlier on, that he it would be a matter for his judgement not to invoke the assistance of people who might be hostile.



Q. And how do you think he might exercise that judgement?

What criteria could he apply in exercising that judgement?

A. He was a man who was who had a comprehensive knowledge of Dublin, certainly Dublin, maybe Irish Business, financial affairs, the people involved, the status of people, their credibility, and he would be probably in a better position to judge any matters of that the discretion of that sort than I would have been.

Q. So he would not have had to have any discussions with you, either in general terms or specific terms, to enable him to exercise that particular judgement?

A. No.

Q. You think. Mr. Traynor was, as you say, a man with a comprehensive knowledge of the business and financial world and occupied a high place in that world himself, didn't he, at the time?

A. I also just remind you, Mr. Coughlan, at that time it was a fairly small world.

Q. Yes, it was smaller than it is today, yes?

A. There was cross-fertilization of boards of directors and everything of that sort.

Q. That is true. But he occupied a high place in that world himself, didn't he?

A. Yes. I mean, I could I will go back in my mind, but I think I could give you a number of individuals in that world who came to him from time to time for advice and guidance.

Q. As far as you were concerned, in the conduct of your affairs at least, Mr. Traynor behaved in a proper and honourable way in respect of your affairs?

A. I am certain of that, yes.

Q. And if Mr. Traynor had raised a loan on your behalf I use that in a broad sense now if he had arranged for monies to be lent either to you directly, to himself to be applied for you, or arranged for a third party to guarantee a loan obtained for you, you would expect him to deal with that properly and honourably; isn't that correct?

A. Absolutely.

And by the way, it just struck me, thinking over our previous dialogue about these matters, that you were inclined to say to me that in, some manner, I forget who it was, that Mr. Traynor would not raise loans, one loan to deal with another loan. I think you made that point to me?

Q. Yes.

A. But surely, I was thinking over it since, that Mr. Traynor opening the account in my name and Harry Boland's name and raising a debit on that account was, in fact, raising a loan

Q. Yes.

A. to deal with another loan. Or to reduce another loan.

Q. Well, what it did was, it just created an overdraft facility on that particular loan for a period of time. But I'll come back to that in a moment.

Mr. Traynor was also, as you say, a trusted adviser to Mr. P V Doyle himself, to the company, and after Mr. Doyle's death, to the companies and the Doyle family; you would agree that that was a position he occupied?

A. To the best I mean, I am recollecting now, but I was fairly clear at the time that that was the position, yes.

Q. And one would not expect Mr. Traynor, in those circumstances, to behave in an improper or dishonourable way towards the Doyle companies or the Doyle family, you would expect?

A. Certainly not.

Q. And if Mr. Traynor was informing them that they had to pay off this loan, would that be because the raising of the loan in the name of Mr. Doyle was a way of Mr. Doyle making a contribution to you rather than assisting in a loan or was it that Mr. Traynor behaved improperly and dishonourably in your opinion?

A. Well, whatever the explanation is, I would not ever for one moment accept that Mr. Traynor behaved improperly. He was adviser to a complex situation. There was a very large financial hotel empire. There was a family situation.

Q. Yes.

A. And I think Mr. Traynor, whatever advice he gave, would have regard to all the different circumstances and the complications, and I think there were quite a few, and advise the family to the best of his ability. I would be

certain that that's the way he would behave.

Q. Well, I suppose he did advise them that there was a loan and that the loan was in Mr. Doyle's name. That is so.

He also informed them that there wasn't a hope of this loan being paid off and therefore, he had to look to their resources

A. Well, I can't confirm that, Mr. Coughlan, but that's a matter of your researches.

Q. Well, do you think if he had come to you at that time and said, look, there is a loan here. It's really your loan.

P V Doyle assisted us in taking it out. He is dead now.

We can't really look to the Estate to pay this back. We better sort this out another way. What do you think you'd have said to him at that time?

A. Well, I can't that's I can't

Q. Can I take it you wouldn't have you wouldn't have called on the Estate, Mr. Haughey?

A. You are putting before me a supposition, a speculative position. I can't give you a definitive answer.

CHAIRMAN: Just, Mr. Haughey, going back to one of your answers earlier this morning when you stated you were surprised at all the ramifications of Guinness and Mahon involvement, that you did not expect banks to be involved, and your belief when Mr. Traynor told you that Mr. Doyle was helping out was on the basis that it was either a donation or a personal loan, I think that's what you said earlier, if I correctly summarise your answer.

A. If that's your recollection of my answer, yes, I accept that.

CHAIRMAN: Well, can I correctly infer that at that initial stage when Mr. Traynor told you that Mr. Doyle had been helping out with your finances, that it seemed to you the probability that it was a donation rather than a personal loan?

A. Probably, yes.

CHAIRMAN: And did that seem to be from Mr. Doyle in person rather than the Doyle Group or set of companies?

A. Probably, yes.

CHAIRMAN: I see, thank you.

Q. MR. COUGHLAN: In any event, Mr. Haughey, to the best of your recollection, from the time Mr. Traynor discussed this with you back in 1983 or thereabouts, when the loan was taken out, to the day he died, there was never any other discussion about Mr. Doyle assisting?

A. I am almost certain not.

Q. Now, at any other time and I am just asking this in a general way at the moment did Mr. Traynor, at the time assistance was being sought or obtained, inform you of the source of the assistance? At any other time did Mr. Traynor ever inform you of the source of any assistance?

A. I think I have already answered that, Mr. Coughlan, that I

cannot recall any other occasion but

Q. I mean any

A. Now that you put the thing specifically to me, I will go back over and see if I can remember any other occasion when he mentioned a specific assistance from any source.

Q. Very good. But he certainly never discussed Mr. Doyle with you again?

A. No.

Q. Now, I think you have informed us, because it was Mr. Doyle was identified by Mr. Traynor as the person assisting with your finances, that this did not cause you any difficulty because Mr. Doyle was a very close friend of both yours and Mr. Traynor's; is that correct?

A. Yes, but also I was aware, I think, from Mr. Doyle himself in the course of conversations from time to time, that he was generally assisting people who might be in difficulty. He certainly had that reputation as a very helpful person, and particularly young people. I know that he told me himself he held a sort of session in one of his hotels on Sunday mornings when young people he would see young people and help them with their careers, and he was a very generous, charitable person.

And if I may just add, you have mentioned before the Tribunal's, or your own particular wish to complete a picture.

Q. Yes.

A. Mr. Doyle, I know, was a very prominent person in the Dublin diocese, in the Dublin Catholic Archdiocese, a very prominent activist in church affairs.

Q. And perhaps had a charitable role in that regard?

A. Very much so, yes.

Q. And apart from being a personal friend of yours and Mr. Traynor's, was Mr. Doyle also a political supporter?

A. A political supporter?

Q. A political supporter.

A. A political supporter?

Q. Yes.

A. I am not sure.

Q. Well, was he a political supporter?

A. He have very he was a very all-around man. I am not sure that he had any particular active political involvement.

Q. I see.

A. I would say he was generally he was generally a supporter of the political process, let me just put it that way. I mean I am not all the political parties, I think, would hold major functions in one of his hotels, the Burlington, and in that way he was familiar with politicians of all parties.

Q. Well, over

A. He was a man of many parts.

Q. Well, over the years, do you know if your own particular party, Fianna Fail, had a special any sort of special

relationship with Mr. Doyle or the Doyle Group?

A. Not more than any other party.

I would say he treated all political parties equally.0 and as I say, his hotels were always available to political parties for meetings and big official dinners and all that sort of thing.

Q. Did your party have any offices in any of Mr. Doyle's hotels or make use of facilities like that for fund-raising or at election time?

A. I don't think they ever had in my time, but I think, yes, there was definitely an office placed in one of the hotels at the disposal of Fianna Fail fund-raisers. But I wouldn't have any direct knowledge of that.

Q. Well, if that is your analysis of Mr. Doyle and his interest or role in the political life of the country, is it your view what is your view as to whether the assistance I'll use it in its broad sense the assistance Mr. Doyle gave, was that personal or political, do you think?

A. Probably a mixture of both, but I would I would say over the years he helped out many people, not just in the political sense, but otherwise, particularly, as I said, young people at the beginning of, starting out on their careers.

Q. Well, I suppose if I could refine the question a little. The assistance for you, do you believe that that was just a personal, could I describe it not quite charitable, or



was it a support, do you believe, of you in the political process? Do you understand what I am asking?

A. Yes, I think certainly it was me as a political person whom he supported as such.

Q. Now, Mr. Haughey, I'd like to ask you now about evidence which was given to this Tribunal by Dr. John O'Connell and it arose in the context of the Tribunal discovering a cheque and asking Dr. O'Connell about the cheque. I think it's referred to in these documents as the payment by Mr. Fustok. It's at divider number 4.

Before the Tribunal took this matter up with you, Mr. Haughey, did you know anything about it? Did you know anything

A. Sorry.

Q. Before the Tribunal took this matter up with you, did you know anything about it?

A. About Mr. Fustok?

Q. Mr. Fustok and this particular transaction?

A. I certainly knew Mr. Fustok, Dr. John O'Connell introduced him to me. I met him

Q. Who introduced you to him?

A. Dr. John O'Connell.

Q. Introduced you to Mr. Fustok?

A. I am almost certain that was the position, yes, and I met him a few times. He was may I just elaborate?

Q. Yes, of course.

A. He was a very important person in the racing world. He had a racing stables in Chantille in France and a racing stable in a sizable racing establishment in Florida. I was anxious at that time, concerned about building up the Irish bloodstock industry, and the racing as part of that, and I was hoping to persuade him to establish a racing, one of his racing establishments here in Ireland. And in that context, I met him, I don't know, three or four times perhaps.

Q. Well, do you remember having any business dealings with him yourself?

A. No, but I do I have seen these documents now, Mr. John O'Connell's evidence and the cheque, I do recall our selling him a horse, yes, or rather, putting it the other way, him purchasing a horse from us.

Q. And was that a race horse?

A. Yes it would be a yearling.

Q. A yearling, yes.

I'll just go through the documents in a moment, but if I could just ask you, do you remember Dr. O'Connell then being the vehicle used for Mr. Fustok to make payment to you?

A. Not particularly, no, but I accept what the I accept that the correspondence and the cheque and the mechanics of it are a record of what took place.

Q. You will pardon my ignorance, but if one sells a horse, how is, in the normal course of business, how is payment

effected?

A. By cheque, by cash mind you, the bloodstock business and the racing business is very much a word of what's it I am trying to say? documents they are not necessarily really any documents. People

Q. Yes, I understand that

A. Very large transactions are done with a shake of the hand, shake of hands.

Q. Yes, I understand that. But can you remember the horse that was sold?

A. No. It would be a yearling. I can't remember the breeding, but it would have been a yearling. And as you probably know, Mr. Coughlan, yearlings go to the sales, are not named. They are just sold on their breeding. Or if somebody comes into your stable breeding yard and buys a yearling, it wouldn't be named at that stage. It's left to the new owner to put his or her name on the particular horse.

Q. Yes, of course. I just wanted to ask you, there was at Abbeville a stud farm; isn't that correct?

A. Yes.

Q. And there was a stud farm business, if I could use it in its

A. Sorry?

Q. There was a bloodstock business

A. Oh yes.

Q. Or a stud farm business.

A. Which would consist if I may just elaborate?

Q. Yes.

A. Which would consist of our breeding race horse bloodstock and then each year selling them around September/October period as yearlings.

Q. And were there both stallions and mares?

A. No, no only mares. Stallions are a much bigger operation.

Q. Very good. And apart from that aspect of the business, can I take it that you or members of your family were also involved in horse-racing as a support, if you understand the distinction I am making?

A. Spasmodically , from time to time.

Q. And I take it in the course of that well, when I say horse-racing as a sport, I mean, you weren't training race horses?

A. No. Sorry, but we were also involved in show-jumping, which is a different side of the business altogether.

Q. Yes. But spasmodically you were engaged in the sport of horse-racing, somebody else training the horses for you; isn't that correct?

A. Yes.

Q. Of course you had your own employment as a holder of public office, or a public official, and there was also farming carried on at Abbeville also; isn't that correct?

A. Yes.

Q. Now, Dr. O'Connell gave evidence to the Tribunal and he said that Mr. Fustok, apart from his interest in

bloodstock, was a Saudi Arabian diplomat whose sister was married to the Crown Prince of Saudi Arabia. Do you remember that?

A. Yes. Sorry, I should have mentioned earlier that, I don't know whether it was at the beginning of my meeting with him or not, but I was very conscious of the fact that he was a brother-in-law of, I think the Foreign Minister of Saudi Arabia, and, therefore, we were interested in getting the Foreign Minister to come here on a visit.

Q. Well, I think that is Dr. O'Connell gave evidence about a certain visit he wanted him to make to the Royal College of Surgeons in Ireland and matters of that, but I'll come to that, and Dr. O'Connell said that he knew Mr. Fustok from around 1979, he, Dr. O'Connell, knew him from around that time?

A. I don't know that, but they were very good friends, very close friends. In fact, I don't know whether Dr. O'Connell said it or not, but I think Mr. Fustok had great respect for Dr. O'Connell as a doctor and relied on him very much.

Q. Now, he said that around 1981 he was at golfs sales and he met Mr. Fustok and he also met your daughter Eimer there and he introduced them, would that

A. Dr. O'Connell

Q. Dr. O'Connell introduced Mr. Fustok to your daughter.

A. I don't recall that, but I am sure it happened.

Q. And Mr. Fustok was invited to Abbeville?

A. I think that was later on.

Q. I see.

A. I think Mr. Fustok paid a few visits to Ireland and I think the he came to lunch in Abbeville, but I think that was later on.

Q. Nothing perhaps turns on it, Mr. Haughey. Do you have any recollection when that might have been when he came to lunch in Abbeville?

A. I could find out, I could trace my

Q. It's probably only a matter of general interest at the moment.

Now, according to Dr. O'Connell, Dr. O'Connell was a very close friend of Mr. Fustok, would that accord with your recollection of events?

A. Oh yes. As I say I don't know if he was Mr. Fustok's sort of official doctor, but he certainly I know that he thought very, very highly of Dr. O'Connell as a doctor and I think consulted him very seriously as such.

Q. Now, Dr. O'Connell gave evidence that in February of 1985, he was dining with Mr. Fustok in London and that Mr. Fustok asked him to pass on a payment of 50,000 which Mr. Fustok stated he owed you. Dr. O'Connell said that he did not ask Mr. Fustok what the payment was for at that time.

A. I am not aware of that, but

Q. Dr. O'Connell gave evidence that he lodged the cheque to his account with Bank of Ireland O'Connell Street on the

22nd February 1985 and that he wrote a cheque, he wrote a cheque on his own account for 50,000 on the 21st February 1985 and it was made payable to cash and it was for you.

He said that he had the cheque for Mr. Fustok but did not lodge it to his account; that he phoned you and told you that there was a payment of 50,000 for you and that you told him to make a cheque out to cash.

A. I don't remember that, but if that's what Dr. O'Connell if that's Dr. O'Connell's recollection, I will accept that.

Q. Now, Dr. O'Connell says that, insofar as I can recall, Mr. Fustok's cheque was made out to Dr. O'Connell and he lodged it to his own account after issuing the cheque for cash for you. He said that he handed the cheque for cash, his own cheque, to you himself. And he says that he recalls that Mr. Fustok told him that he owed it to Mr. Haughey.

Now, I'll come back to deal with the details of certain transactions in a moment, Mr. Haughey, but could I ask you this: Can you assist the Tribunal as to why Dr. O'Connell should be asked to make his cheque out to cash for you?

A. I can't recall, no, but it would be in those days I was very confidential in confidence. I may have asked him to make it out to me in cash so that it could be remain confidential. I don't know, I don't recall.

Q. Well, if I could go back over the transaction that you believe this was in respect of. You believe that a yearling was sold to Mr. Fustok, is that correct?

A. Which?

Q. You believe that a yearling was sold to Mr. Fustok?

A. Yes, yes.

Q. Can you remember whether the yearling was sold privately or was it sold at the sales?

A. I can't remember, but I think it was sold privately.

Q. And that being so, it would probably have been in the context of Mr. Fustok or somebody on his behalf seeing a yearling at Abbeville, would that be right?

A. Very likely, yes.

Q. And the deal would be agreed and in normal course, the horse the yearling would either be collected or delivered somewhere, would you agree, that that

A. It would be delivered to Mr. Fustok's, probably his racing establishment in Chantille in France.

Q. Now, again, in the normal course of business of the a stud farm, one might have, I suppose, in some instances a running account running with somebody one was doing business with regularly and adjustment could be made. But in the case of Mr. Fustok, do you believe that this was the only sale that took place to him?

A. I am almost certain of that, yes. Could I offer an explanation of what I think may have happened? And that is that, as I say, I was pressing Mr. Fustok to bring some of his racing establishment to Ireland because it would have been very, very important for us, for Irish racing and bloodstock breeding, to have an owner of Fustok's standing, and also of his very extensive interest in racing, to have



such an establishment in Ireland, so I was pretty keen.

In those days one pursued every possible avenue of development, economic development that one came across.

Q. Yes, I understand.

A. So I was anxious that he would do that, particularly as he had he was an international figure in racing, he had an establishment in Florida and he had one in Chantille, and I think he may have had an establishment in Britain at the same time, but I am not sure of that.

Now, Mr. Fustok, I think, decided, for a number of reasons, not to come here because the prize money in Irish racing in those days was negligible. It wasn't a very attractive place, venue, for a race horse owner of his size. In those days we were always very envious of the enormous prizes, racing prizes, obtained in France where he was already operating. So that he decided, I think, probably for his own commercial reasons, not to come here.

Now, I feel that his offering to purchase a yearling from us was by way of recompense for not acceding to my request, I think that may have been sort of a gesture on his part.

Q. I see.

A. But, I mean, the yearling was obviously I mean, a commercial transaction. But I think he may have been motivated to purchase a yearling from us on the basis of a gesture.

Q. And do you think that that was sometime it obviously had

to be about Dr. O'Connell getting the cheque from Mr.

Fustok, but would you think that it was sometime proximate

to that, within a couple of months or six months or a year

previously, that the yearling had been purchased?

A. I can't say. I imagine it would have been in the same

Q. Around the same?

A. Around the same time. I may he may have sent the

cheque he may have sent the cheque on the basis to buy a

yearling.

Q. Yes, that's another possibility

A. Rather than post-factum. He may have sent the cheque for

the purpose of buying a yearling.

Q. I see. Now, if the yearlings formed part of the stud

farm activity, is that correct, at Abbeville?

A. Yes.

Q. And in the year 1985, who was conducting the business of a

stud farm at Abbeville?

A. My daughter Eimer mainly, but I am sure we would have had a

manager.

Q. Yes, I accept that. But am I not correct in thinking that

it was your daughter Eimer who conducted the stud farm

business at Abbeville? We know from Mr. Gallagher

previously that it was in her interest that he was going to

try and located another site for a stud farm, so it was

your daughter Eimer was the stud farm business

A. She was the stud farm person, yes.

Q. And did the stud farm, to the best of your knowledge, keep

its own records and its own bank accounts anyway?

A. I am sure it did, yes.

Q. And they had nothing to do with you personally?

A. Not really, no.

Q. Do you know what happened to the cheque Dr. O'Connell gave you made payable to cash?

A. No.

Q. Now, you accept Dr. O'Connell's evidence that he handed the cheque to you personally?

A. Yes. I don't remember it, but if Dr. O'Connell says so, I certainly accept that.

Q. And do you accept Dr. O'Connell's evidence that you asked him to make it out to cash?

A. Yes.

Q. Now, I will be going into the documents, but I just want to ask you, Mr. Haughey, this cheque ended up in an Amiens account, one of Mr. Traynor's accounts. Do you know how that could have happened?

A. Did it?

Q. Yes, it did. I'll be going through the documents. But do you know how that happened?

A. I don't recall, no.

Q. I think you informed us, to the best of your knowledge, you never handed any cash or cheques to Mr. Traynor; isn't that correct?

A. Yes.

Q. Well, do you accept that if Dr. O'Connell handed you the

cheque and it ended up in an Amiens account, that you must have given this to Mr. Traynor?

A. That would seem to be so, but I can't recall. I can't recall the details of it, but if, as you say, it ended up in an Amiens account, I don't know whether I would have passed it on to Haughey Boland & Co or they would have passed it, I don't know, I can't recall.

MR. COUGHLAN: I intend, Sir, opening the documents so this is probably an appropriate time.

CHAIRMAN: This is an appropriate time.

Forgive me discussing matters momentarily with counsel about arrangements.

I understand there have been provisional discussions between Mr. Gardiner and yourself in the context of the medical position of Mr. Haughey of the Tribunal's requirement to finalize further evidence to be presented and also some allowance for other legal commitments regarding judicial review at present affecting Mr. Haughey, that there be a deferral for a short period of a week at sometime

MR. COUGHLAN: That is correct, sir. I think it was intended that we'd finish taking evidence at these particular sessions tomorrow. And whilst we haven't reached final agreement on the exact date, we were thinking

about a week or a week and a half, but Mr. Gardiner wanted to come back to me about one particular aspect of matters.

CHAIRMAN: Well, perhaps I'll leave it to finalize first thing tomorrow morning, in ease of those, perhaps, reporting and other persons wishing to attend, that whilst appreciating the need for that deferral, it would be my anxiety that it would be for as short a time as needs be. Thank you very much.

MR. COUGHLAN: Indeed.

THE TRIBUNAL THEN ADJOURNED UNTIL THE FOLLOWING DAY,  
TUESDAY, 3RD OCTOBER 2000 AT 10:30AM.