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THE BANKRUPTCY ACTS, 1914 and 1926.

IN THE WAKEFIELD COUNTY COURT.

IN BANKRUPTCY. No. 1 of 1972.

RE: JOHN GARLICK LLEWELLYN POULSON.

PUBLIC EXAMINATION OF THE DEBTOR.

Before MR. REGISTRAR GARSIDE.
at the Court
this 3rd day of July, 1972.

PRESENT:

THE OFFICIAL RECEIVER: Mr. W. A. Bishop.
FOR THE TRUSTEE: (Mr. Muir Hunter, Q.C.
(Mr. D. Graham.
(Mr. Crystal.
FOR THE DEBTOR: Mr. L. Saffman.

These are the Notes of the Public Examination,
referred to in the Memorandum of Public Examination,
of taken before me
this day of 19 .

Registrar.

The above-named debtor, being sworn and examined at the time and place above mentioned, upon the several questions following being put and propounded to him, gave the several answers thereto respectively following each question, that is to say :

MR. MUIR HUNTER: I was examining on the last occasion, your Honour --

THE REGISTRAR: Yes.

MR. MUIR HUNTER: But my learned friend Mr. Saffman, who appears for the debtor tells me that he and his client have identified certain mistranscriptions in the evidence transcribed so far which he would like to bring to the Court's attention.

THE REGISTRAR: Yes.

MR. MUIR HUNTER: Following that, I understand that my friend the Official Receiver wishes to re-open his examination, to which I have no objection, on material he has assembled since the last hearing.

THE REGISTRAR: Yes, very good.

JOHN GARLICK LLEWELLYN POULSON,
recalled and sworn.

THE REGISTRAR: Now, Mr. Poulson, I would be obliged if you would keep your voice up and speak so that we can all hear you.

Question 719: if you would look at the 4th line of the question, sir - or if I may go back and read it all, "And do you remember that clause 12 said this: 'in consideration of the premises' - that means what had gone before - 'the company shall allot and issue creditors as fully paid up as first directors of the company'. The word "creditors" is obviously wrong, sir, that should be "credited as fully paid up". Presumably then it should read "to" instead of "as" first directors of the company. And the learned Official Receiver has drawn my attention to question 59 which refers to Mr. Gomersal later becoming a "silent" partner in the practice. That again should be salaried partner.

MR. MUIR HUNTER: For the sake of the record, sir, the debtor should now be asked whether he affirms the corrections which the solicitor has put.

1020. THE REGISTRAR: Mr. Poulson, those corrections which Mr. Saffman has mentioned, are those correct? A. Yes, sir.

THE OFFICIAL RECEIVER: May it please you, sir; you will recall that last time I interrupted my examination to allow Mr. Hunter to begin his questioning. I would like now to return, if I may, sir, to certain points that I made before.

1021. Q. Mr. Poulson, you will recall last time that we mentioned certain payments that appeared in your accounts, and I referred to some of them? A. Yes.

1022. Q. Since then, not only have we looked at the accounts again, but we have also looked at your cash book going back to the 1st March, 1962, and I have extracted some figures, and a copy of a schedule has been given to your solicitor. Have you seen that schedule at all? A. He showed me it for one minute just now.

MR. MUIR HUNTER: We have one in court which I believe the Official Receiver has given you; I have given one to the debtor's solicitor, and we have a spare which I will offer to the debtor.

THE OFFICIAL RECEIVER: I am obliged to you.

MR. SAFFMAN: I think perhaps, sir, I ought to make it clear that I received this only ten minutes ago. I have shown it to the debtor but, of course, he has had no opportunity of perusing it; he has only seen it and knows what it refers to, but does not appreciate any of the figures in it; he has had no chance to study them.

Dan Smith
Cleeve Barr suggests
to Justice

1023. THE OFFICIAL RECEIVER: You will recall, Mr. Poulson, that I referred last time to certain payments that you had made to T. Dan Smith and his company. I think you said that those payments were for consultancy fees on the question of housing?
A. Yes.

THE REGISTRAR: Keep your voice up.

THE DEBTOR: Sorry; yes. I cannot speak any louder, I am afraid.

1024. THE OFFICIAL RECEIVER: Now, according to your cash book we have payments from 1st March to 30th June, 1962, totalling £1,816, ignoring shillings and pence, and then the following year to 30th June, 1963, a total of £3,750. These were monthly payments, or sometimes rather more than monthly payments. Were there separate agreements for each year with Dan Smith?
A. I think I recall saying last time, sir, that these were reviewed every six months, if my memory serves me right, and that it was correct in my statement, because you referred, I think, to the £1,816 - I do not know which others you referred to. This started because I was asked by the Ministry of Housing and Local Government, the section known as - well, Cleeve Barr is the head of it - National Building Agency, to help them in building industrialized housing - this is helping the Government - and I was not very keen on doing this because I have had enough experience of industrialized building on schools in (?class), but after he had come up as the head of it from London to Pontefract to see me, I decided to help them, and I said I would go; where did they want me to go, and they sent me to Sweden to see the Skarne. Now, as a result, when I went there I found that the Skarne people had already appointed T. Dan Smith as their agent in England, but I had never heard of Skarne, I had not heard of any of this. I was sent there by Cleeve Barr, the head of the National Building Agency.

1025. Q. I remember you saying that last time, Mr. Poulson, but I thought that was in 1964? A. Well, the date, sir, I remember - I can't remember whether it was 1963 or 1964. I cannot remember as far back as that as to which part of the year or to which date of the year.

1026. Q. Yes, but you were in my office for the best part of three months earlier this year -- A. I was there for eight weeks, and I think your assistant will agree that I was hardly a man to

Smith
Start was for industrial
buildings

answer questions after the shock I had.

1027. Q. Yes, but by the end of that time you were fully conversant with your own affairs, were you not? A. I was fully conversant, but things were different to what I had been led to believe in the first place.
1028. Q. Because in your statement at my office you said that "In 1964" - this is on page 7 - "Mr. Cleeve Barr, Chief Architect of the National Building Agency, visited me at Pontefract --"
A. I cannot remember what is in that, because I have never seen that since I left your office, sir.
1029. Q. Would you agree that when this statement was taken, when it was put down on paper, those dates were accurate to the best of your recollection? A. To the best of my recollection, yes. But it would apply now that it was wrong by a year.
1030. Q. You see, I am now referring to payments in 1962 to T. Dan Smith, not 1964? A. Well, I don't know; I mean I cannot remember whether it was 1962 or 1964.
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1031. Q. You are saying that all these payments to T. Dan Smith refer to this industrialized building? A. The start of it did, yes, sir.
- P
1032. Q. The start of it. Now, what followed from that? A. Well, eventually he went on to P.R. work, but as to when that started I can't - I would only be guessing.
1033. Q. What does "P.R. work" mean in relation to an architect?
A. Well, he was an honorary member of the R.I.B.A., and he thought he could assist me in recommending me to people, and particularly firms abroad and connected with housing as a result of this Skarne housing tie-up. But Skarne proved to be such an expensive item that it never went on the ground.
1034. Q. Well, shall we put it this way; to obtain work for you. Is that it? A. Well, he could not do that very well, could he?
1035. Q. I do not know, that is what I am asking you. Could he? Could he obtain work for you? A. Well, he could have done if this housing had gone together, but it didn't.
1036. Q. You say that the housing scheme fell through and then it became P.R. work, and I was asking you what P.R. work as an architect required, and you then went on to say that he could recommend you to people? A. Well, that is what I understood, but I mean it didn't work out that way very well.
1037. Q. Well, we have got a lot of payments to T. Dan Smith. A. You have.

Sm:K

1038. Q. You see, we come to the end of the period, 28th February, 1970, so we go from 1st March, 1962, to 28th February, 1970 - eight years. You paid a total of £155,000 to T. Dan Smith.
A. (Phew)

THE OFFICIAL RECEIVER: Page A.5, Mr. Poulson, the bottom of the page, second column.

1039. Q. Now, I should explain, Mr. Poulson, that in this schedule, up to 30th June, 1967, everything came from your cash book. After that date, it either came from your cash book or from the accounts which were prepared on your behalf by Pannell Fitzpatrick. I am told, Mr. Poulson, that you kept your general cash book up to 1967, and then possibly both cash books, your general cash book and your private cash book, up to 30th June, 1968. You see that, do you, Mr. Poulson?
A. Yes.

1040. Q. So that it is a lot of money, is it not, for P.R. work and for consultancy? A. It is fantastic. I had no idea it was this big.

1041. Q. Well, I must ask you, what was he giving you in return?
A. Well, I can't answer that question I'm afraid. I can't see anything positive as a result of it. The only thing I can suggest is you ask for a meeting with him and he produce some accounts. I've no accounts, and never had any as far as I am aware.

1042. Q. How did you fix the figures? How did you fix the figures?
A. Well, he used to come down, as I said, probably sometimes once a year, sometimes twice, and he'd tell me that he was hoping to do this, that and the other, and he asked for increases, which is confirmed here, but there are some figures that I can't understand, in that it goes £1,800 one month and then drops down to £350 for four subsequent months, and then it jumps up back to £1,800. It seems to me there is no sense at all, or continuity. I am talking about 1967, I am looking at particularly. There is just no understanding it.

1043. Q. I think we have got £1,816 starting in July - that is on page A.3, is it not? A. Sorry?

1044. Q. A.3, is that where you started? A. Yes; yes, sorry.

1045. Q. So we start with £1,816 in -- A. April, is it?

1046. Q. July. It goes from 1st July to -- A. Sorry.

1047. Q. Is that the one you were querying? A. 1967. It says: "Year ended 30th June, 1967".

Smith
No facts, if I said anything it would
just be supposition

1048. Q. Is that the one you are querying? A. Well, I'm saying that £1,816, and if you look further down you will come to November, its £1,816, and then it is £350, £350, £350, £350, and then it goes back to £1,816, and then £350, £350.

1049. Q. Yes. I think you will find that there are twelve monthly payments of £1,816 13s. 4d., and then you have got these other figures you mentioned as bonus - £1,400 in August, 1966, £700 in September, and so on, a total for that year of £30,800?

A. Good lord.

1050. Q. What were you getting for £30,800 in the year ended 30th June, 1967? A. I'm sorry, I just cannot answer it.

1051. Q. Because Mr. Smith has been asked by the Trustee what these payments were for, and I will quote his letter that was sent to Messrs. R. C. Moorhouse, solicitors for the Trustee --

MR. MUIR HUNTER: Could we have the date?

1052. THE OFFICIAL RECEIVER: The date is 29th June, 1972.

" I am in receipt of your letter of 15th June.

For reasons previously explained it would be physically and practically impossible for me to deal in greater detail with the questions you have raised, which would take a great deal of research into records of companies long since dispersed - time which I myself cannot afford to spare, nor have I the staff to do so. It would be necessary for me to employ professional accountants to some complexity over several companies no longer trading, and obviously there is no reason why I should be put to this expense.

I do not feel it is unreasonable, therefore, for me to have to decline to devote my time, which is already occupied to capacity, to this matter."

That is Mr. Smith's answer to your Trustee who, naturally enough, wanted to know what these payments were all about?

A. I should think so. I would as well.

1053. Q. But you are unable to assist the Court further? A. Look, I am sorry, if I said anything it would be just with no facts or anything - supposition.

1054. Q. Now, I referred last time to Mr. Jeffrey, did I not? A. Yes.

1055. Q. And what --- A. Well, the position here, sir, is this. My secretary, in Mr. Saffman's office on Thursday night when we were going through this transcript, pointed out to me that

the spelling of that was a different "Jeffrey". The one I mentioned was a "Jeffrey" - r-e-y. Now, this is a boy who was on my staff at Pontefract as a quantity surveyor - the one in the transcript.

1056. Q. Yes. A. And he has got an illness or a disease of some sort - it is not Parkinson's, something like that - and he has had to give up work many years ago, and he got a little better and he came and asked me if he could do two or three hours work at home as a quantity surveyor, but he could not take a job on that he would be all day; he could not take a job on that he would even be able to work half a day. Well, as he had been with me from a boy out of a joiner's shop and had had to give up work altogether, I tried to help him, and he did periodically, when he was able to, when his health permitted him, probably two half days or two whole days one week and then probably none the next, and that is that "Jeffrey".

1057. Q. J. D. W. Jeffrey? A. Yes, and it is Airedale, Pontefract, his address was at that time.

1058. Q. And he is a quantity surveyor? A. He is a quantity surveyor.

1059. THE REGISTRAR: How do you spell it? A. r-i-e-s.

1060. THE OFFICIAL RECEIVER: J-e-f-f-r-e-y? A. The other one is r-e-y. This one is as you spelt it here, that is why my secretary knew it was wrong; I never connected the two. She spotted it.

1061. Q. Are there two "Jeffreys", then? A. Yes.

1062. Q. Which is the "Jeffrey" that I was referring to? A. The one that you are referring to last time, sir, is the one that I have mentioned who is a quantity surveyor, and not as I stated -- I thought you were referring to an engineering consultant in London.

THE OFFICIAL RECEIVER: I see.

MR. SAFFMAN: If I may be allowed to correct, sir, since my name was brought into it, I am afraid that Mr. Poulson has misled himself, or mis-recollected. His secretary pointed out the initials were different.

THE DEBTOR: Also the spelling is r-e-y.

MR. SAFFMAN: The reason for the difference was that initials of the "Jeffrey" were different - the one who worked in London and the one who worked in Pontefract. It is not very material, sir, but at this stage what Mr. Poulson is saying -- (inaudible).

1063. THE OFFICIAL RECEIVER: Well, does it appear that you have paid Mr. Jeffrey a total of £13,425 - the total is on A.5 - and

there does not seem to have been anything paid in 1969 ---

A. Well, that is who this one was. Ah, just a minute, this is the right -- this is the one that's in London.

Now, when I see this it is r-e-y as I stated to you, but the one that is in that transcript is r-i-e-s.

1064. Q. We are confused here. Is it the spelling in the transcript that has misled you? A. Well, the spelling in the transcript has misled us because my secretary said, "This is wrong, this is the wrong --".

1065. Q. You are quite right, Mr. Poulson, I did refer to Mr. F. A. Jeffries. A. That is right.

1066. Q. You said he was an engineer in charge of your London office for a time? A. That's right. That is the one that is there in this list here that you have got. You have spelt his name differently there. You have spelt it right here and the amounts are the ones in accordance with that statement I made last time, but the "Jeffrey" as spelt there is the quantity surveyor.

1067. Q. Last time I referred to F. A. Jeffries, and I referred to certain payments made in 1967, 1968 and 1969. I am now referring to J. D. W. Jeffrey? A. Sorry; this is where the confusion gets in - the same name with a different spelling.

1068. Q. Now, this one I am referring to now, he is the quantity surveyor? A. No. The last one was the quantity surveyor. This is where we got wrong. The F. A. Jeffries is the quantity surveyor.

1069. Q. He is the one who suffered from ill-health? A. That's it.

1070. Q. So your answer last time should have meant him? A. Yes.

1071. Q. So these payments now --- A. But the answer I gave last time refers to this one, the spelling being different.

1072. THE REGISTRAR: Can I go back to this question which was put to you at the time: "I will not proceed any further with Mr. Smith, I have no doubt that the Trustee will want to deal with that point. Now, Mr. F. A. Jeffries, who was he?", and you replied, "He was an engineer in charge of the London office for a time". Well, that is not correct, is it? A. No. This is the quantity surveyor, and that is why my secretary ---

1073. Q. Quantity surveyor from Airedale near Castleford? A. Yes. And the one that I have given an answer to there is the one you have got down here, "J. W. D. Jeffrey".

1074. THE OFFICIAL RECEIVER: He is --- ? A. The consulting engineer in London, and he is the one, as I told you, who lives near

Chippenham in Wiltshire.

THE REGISTRAR: So really the answers to 388 and 389 are incorrect.

THE OFFICIAL RECEIVER: Yes.

THE REGISTRAR: Can we get back to Mr. J. D. W. Jeffrey?

1075. THE OFFICIAL RECEIVER: He is the consulting engineer? A. Yes.

1076. Q. From Chippenham? A. Yes.

1077. Q. Why did you need a consulting engineer? A. Well, we had got this big job on the west coast of Africa, in Angola, and I was not satisfied that the staff in London were as experienced as they should be, and here was a man who was about 62 or 63 years of age and had plenty of experience, and I was recommended that he was looking for a part-time job, and could supervise them and come down, and that is what he did. Unfortunately, I signed a contract with him for a period of years and the job finished before the time expired.

1078. Q. I am under the impression, Mr. Poulson, that you first started in Africa in 1964? A. That is right.

1079. Q. Returning --- A. Well, I do not know when the Mosamadees job was, I should have to look at the contract; I could not tell you. We started in Nigeria in 1964.

1080. Q. That was the first time you went to Africa, was it? A. Yes; well, Nigeria was - not Mosamadees. I have never been to Mosamadees myself.

1081. Q. No, but was the first time you were involved in Africa in 1964? A. Nigeria, yes.

1082. Q. You see, you start paying Jeffrey in August, 1963? A. Well, it might have been, but I should have to look up the dates of the contracts and the correspondence with regard to that, sir. And furthermore, there is an agreement with Jeffrey, and you can get all that information from Blundell Baker & Co.

1083. Q. They were your solicitors at the time? A. Yes, they were the solicitors at the time.

1084. Q. Now, the next payment I want to refer to is the payment on the 22nd November, 1962, on the first page, to Mr. E. G. Braithwaite, £2,500? A. Sir, I can't better answer this than say this; that I think the Public Trustee should write to Mr. Braithwaite, and he will give him a full explanation of what took place as a result of an investigation into this by the Regional Hospital Board.

1085. Q. That is not quite good enough, Mr. Poulson; after all, I am

- asking you - you made the payment? A. It was not a payment actually to him, it was to his wife.
1086. Q. Alright then, why should you make a payment to his wife?
A. Well, I have known this lady for practically all my life, and I was doing a job for them and she was telling me that she would like to do this, that and the other, and she could not -- you know, they had got education to carry on as certain people have at certain portions of children's lives, and I said I would help her and I made a gift to her.
1087. Q. It was a gift of £2,500 on 22nd November, 1962, and a further payment of £1,000 on the 16th November, 1963 - further down the page? A. I didn't know there were two, but that will be it.
1087. Q. These were straightforward gifts? A. Yes, no question, and if you write to them they will give you all the details.
1088. Q. Earlier you said there was an investigation. What was this investigation about? A. Well, it was as a result of the "Private Eye" article at the beginning that the South West Regional Hospital Board decided to have an investigation, and the Ministry of Health recommended - they took it to the Ministry of Health, the Chairman did - and the Ministry of Health recommended that a solicitor be appointed, and the solicitor appointed was the solicitor to the North East Metropolitan Hospital Board, if my memory serves me right, and he took statements from various people and finally recommended to the Board and to the Ministry that there was no case to answer.
1089. Q. Were these payments disclosed to the Inspector? A. Oh, yes. That's why I said I think you ought to write to him, and I remember his solicitor was a man called Rubenstein.
1090. Q. You say these payments were gifts to Mrs. Braithwaite?
A. Yes.
1091. Q. Why were they not paid to her? A. As far as I knew they were. She is Mrs. E. G. Braithwaite.
1092. Q. Yes, but she also practices as a solicitor, does she not?
A. Well, I think she does now; she was not doing at the time.
1093. Q. But she was qualified as a solicitor? A. Yes.
1094. Q. And, in fact, if she practices, she practices under her own name, not as Mrs. E. G. Braithwaite --- ? A. I wouldn't know, I have never used it; I wouldn't know.

1095. Q. Now, the next payments I referred to briefly last time were to Mr. A. Roberts. You started paying Mr. Roberts £208 a month on the 25th February, 1964, and if we follow it through right to the end, Mr. Poulson, to the total on A.5, you will see that you have paid Mr. Roberts a total of £11,508?

A. Oh, good Lord.

1096. Q. Now, what were you paying Mr. Roberts for, and who is Mr. Roberts? A. The M.P. for Normanton. He is also the person who seems to be very friendly with the two governments in Portugal and Spain, and as I had been invited to give a package deal for a hospital in Tenerife, I found it was absolutely necessary, as I could neither speak the language nor get near anybody, and they don't seem to -- Well, I didn't understand how they seemed to do things - and he had also been recommended to me by the Spanish Government, and the company that we did the work for in the case of the Angola Harbour. That is how he first started; it was on the recommendation of the Spanish to me in connection with the Angola Harbour - I recollect that just now as I am talking - and, as a result, the second thing that happened was this hospital in Tenerife. Well, this went on for a period, I should think, of two years, and finally the only reason it did not build was that the export credit guarantee section of your department got tighter and would not give the necessary funding to the Spanish at that time. Well, as you will appreciate, sir, this is outside the purview of an architect dealing with this sort of thing with a government - for a government - and as he seemed to be so persona grata with them and they recommended me to get in touch with him in the first place, that is how it was. I had no idea it was amounting in sum total to this figure.

1097. Q. So, in effect, really what it is, it is a similar payment as the one you made to Mr. Cordle; Mr. Cordle for his knowledge of Africa, Mr. Roberts for his knowledge of --- A. These were specific jobs in the case of Roberts. I mean -- Cordle was -- Well, I consider I was conned; I'll be quite honest.

1098. Q. Well, on Mr. Cordle, there were certain payments made each year, a total of £5,928? A. Well, that is what I could not understand. I knew it was £5,000 because I tried -- if you get the correspondence from Blundell Baker & Co. you will find

- I tried to get out of this.
1099. Q. Tried to get out of it? A. Completely.
1100. Q. How do you mean "tried to get out of it"? A. Well, I wanted to terminate it; I felt it was most unsatisfactory, the whole thing, and ---
1101. Q. What were you terminating? A. An agreement with him.
1102. Q. Was there an agreement? A. Oh, yes.
1103. Q. What sort of agreement? A. A thousand a year, I think.
1104. Q. A service agreement? A. Yes.
1105. Q. What services was Mr. Cordle going to render? A. I cannot remember what it said in that agreement, Blundell Baker did it, but he did not render any, and that's why I wanted to get rid of it.
1106. Q. Now, I referred last time to certain payments to Mr. A. J. Merritt. If you look back at page A.1, you will see that according to the cash book a ten guinea payment in the year to 30th June, 1962; £52 in the year --- A. Where is that?
1107. Q. First page. A. Sorry.
1108. Q. If you follow that? A. Yes, I have got it now. I was looking -- I didn't know what I was looking for.
1109. Q. We have got 7th March, 1962, ten guineas; further down the page, 22nd August, 1963, £52; and then page A.3, 12th July, 1966, £100; 4th April, 1967, £180. And then we start on page A.4 on the 23rd February, 1968, with the monthly payments of £333. 6. 8d., four - two in February and one in March and one in April? A. Well, that would be for January and February. The other one, sir, the earlier ones, I didn't even know they existed. I didn't know there was such things. Ten guineas, I can't understand what that was, and I can't understand the £52 or the £100. I've not the foggiest conception. I didn't know that he'd had them. What's he got to say?
1110. Q. Can you conceivably think of any reason why you should pay a serving civil servant these sums of money? A. Not in the foggiest. I haven't any idea whatever.
1111. Q. I can refresh your memory, possibly. On the 4th April, 1967, £180. (Long pause). I am sorry to keep you, Mr. Poulson, but this £180 does refer to deposit paid on a steamship passage early in 1968. You arranged for the booking through Mr. Maudling. Can you recall that? A. Oh, yes, now I can. Yes; he was retiring, and he was going to start with me as a consultant, and when he'd finished at the Ministry

he wanted to go on a trip.

1112. Q. I have got the letter now. It is a copy of your letter to Mr. Maudling dated 22nd February, 1967. It is written on your behalf, Mr. Poulson. "Dear Mr. Maudling, A personal friend of Mr. Poulson's - a Mr. A. J. Merritt, Principal Regional Officer at the Ministry of Health, Leeds - who has been extremely helpful to the firm in that capacity, is retiring at the end of this year and wishes to take a sea voyage in January/February, 1968. He has already written requesting information and received the enclosed letter. Mr. Poulson wonders if your travel agent would be able to do anything to assist in this connection". Do you recall that?
A. Now I do, that you have mentioned it.
1113. Q. Obviously some assistance was availed because a booking was arranged?
A. And he went on it, but it was on his retirement.
1114. Q. Yes, but this payment was well before his retirement, was it not?
A. Well, I mean, he knew he was retiring and he was going on the trip after he retired.
1115. Q. Yes, but why should you pay for it?
A. Well, I didn't know, to be quite honest, I had paid it or I didn't get it back if I did pay for it. I didn't know that was the deposit, or what it was. I wouldn't know. I suppose he -- Do you say I wrote it, the letter?
1116. Q. No, I said it was written on your behalf, but I will let you see the photostat of the acknowledgment from the shipping company - and that is your writing, is it not, telling them to accept - presumably instructions to your secretary?
A. That is not my writing. My secretary's.
1117. Q. It is your secretary's?
A. Yes.
1118. Q. I see. But done on your instructions, I take it?
A. Now you mention this, I remember it now, but I certainly didn't when you first asked. It's an isolated item.
1118. Q. Well, once again, Mr. Poulson, I have got to put it to you, do you think it was proper for you to make these payments?
A. Well, I mean, here was a man retiring who wanted some help. He couldn't get anywhere with the shipping company; he said to me, "Some of your friends probably could get me on - a booking".
1119. Q. I am not querying the assistance in getting a passage on a boat; it is just as if you want football cup final tickets and you know a friend, you ask them, but this is payments of money, payments in 1966, payments in 1967. Do you think it

- was right? A. Well, I don't know that I didn't get it back, but if I didn't get it back I think you ought to get it back.
1120. Q. You have made a number of payments to Mr. J. Hepworth. Who is he? A. Do you know, I haven't the slightest idea. I've just been puzzling my brain over this while you were talking, that's why I couldn't find Merritt's. I have found the other Jeffries among this list.
1121. Q. Payments seem to have started in December, 1964; £2,750 at 30th June, 1965; £2,000 up to 30th June, 1966, and that seems to be it. You can't recall him at all? A. I don't know anybody of that name. I can't remember anybody of that name. My secretary probably would, but she is away in Scotland on holiday at present.
1122. Q. L. J. Mills, can you recall him? A. He is an ex chief quantity surveyor who started on his own, and we employed him on a part-time basis when we were busy.
1123. Q. I see. Well, he was probably doing better on his own than he was working for you, by the look of the payments. You say he is a quantity surveyor. Who is J. Deeks - page B.2? A. Now, the other Jeffries is the one that's there.
1124. Q. Yes, that we all know. A. Deeks. This would be paid back. It was a C.P., and it was owed to Ropergate Services, and it was cleared in the transfer when Ropergate were fully paid by C.P. He is a C.P. employee and not mine.
1125. Q. Consultant Promotions? A. Yes, and was paid back in the lump sum when C.P. cleared off Ropergate indebtedness.
1126. Q. When was that? A. The same applies to Vyner Brady; the same applies to Breene. Those are all C.P. and came through Ropergate, and as you should be well aware, Ropergate received complete settlement, plus a 7½ per cent. service charge, from C.P.
1127. Q. Well, I am not quite sure whether the Trustee agrees with that, whether Ropergate has received full settlement, but you are saying that these people were employees of Construction Promotions Ltd, and you actually paid the money out and you were reimbursed by who? A. C.P.
1128. Q. Were you? A. Oh, yes.
1129. Q. Did C.P. reimburse Ropergate? A. Paid Ropergate, yes, which it went through Ropergate - should have all gone through. It's been probably put wrong in the books, but it should have all gone through Ropergate. It's nothing to do with me.

It's nothing to do with the architects, or anything like that. And the same applies to Vyner Brady and to Breene.

1130. Q. So that is Deeks, Vyner Brady, and Breene, are all C.P. employees? A. Yes. I can't understand this D. Tansman; I don't know that.
1131. Q. They all seem to have been in 1965/1966, a total of about £1,300 all together. They are regular monthly sums for the period, are they not? A. They are, but they were certainly C.P. I mean, I'm quite certain of this.
1132. Q. R. Egan; who is Mr. Egan - on page B.2? A. Oh, this is a friend of mine. He was ill one period and I helped him out.
1133. Q. I can understand you helping people, but I cannot understand why they should go through your accounts, go through your books? A. Well, of course, the unfortunate thing is that everything went -- I never kept any; I didn't take money out and had separate accounts. It was one account. My private account was a business account, the lot. That's where I realise the error is now.
1134. Q. And then we come to Mr. Pottinger to whom I referred last time. The payments there start on page B.2 in 1965 and they continue on B.3, B.4 --- A. £7,929.
1135. Q. And B.5, until we get a grand total of £21,419? A. What?
1136. Q. £21,419, Mr. Poulson? A. Well, you notice some of these are builders' payments.
1137. Q. Yes. A. The reason for this was I considered that my staff had made errors.
1138. Q. Who is John Dennis? A. Yes, that's right.
1139. Q. They are builders, are they? A. They are builders.
1140. Q. What were they building? A. A house for him.
1141. Q. A house for Mr. Pottinger? A. Yes.
1142. Q. We have got £4,000 paid to the builders? A. J. & T. Harvey, I have not the foggiest idea who that is. I will make enquiries about that, but I couldn't tell you, and I'll find out. I think these others are Dennis's; the £2,000 certainly - the first £2,000.
1143. Q. The first £2,000 in August, 1968? A. Yes. I had a very unfortunate assistant up there who went and did work and never got approval for it. It didn't only apply on this contract, it applied on every one, unfortunately, as the records can be shown.
1144. Q. Well, the total of £21,000 --- A. Well, I mean, he hasn't had £21,000, I am sure of that; that's why I expressed such horror.

1145. Q. As having been paid to, or on account of, Mr. Pottinger.
Whether it was paid to him or on his behalf, it is a payment --
A. Well, I would like to go through this figure because I just don't believe --. He certainly hasn't had that. The details, I would like to break it all down right from the beginning, but it isn't here; I can't do it from here.
1146. Q. Well, I have got the original book of record here with me, Mr. Poulson. A. Well, there's three-five in the first - three-eight - and then there's two items here, four-one, that's seven; that's ten. I can account for ten thousand, but I can't account for twenty-one.
1147. Q. Well, we start on page B.2 on the 25th April, 1966? A. That is £3,800.
1148. Q. £1,650. A. Sorry, I missed that one out.
1149. Q. On B.2? A. Yes.
1150. Q. Now, was that a payment in cash? A. Well, I can't remember; I expect so. Well, it would be a cheque, it wouldn't be cash.
1151. Q. It would be a payment to Mr. Pottinger, not on his behalf?
A. No, that was paid to him.
1152. Q. Now, go back a couple of places to £95. 13. 6d. on the 14th February, 1966, a payment to Mr. H. Hunsman. What would that be for? A. Well, I can't understand this.
1153. Q. Who is Mr. Hunsman? A. He is my tailor, or was.
1154. Q. You see, in your cash book it shows "H. Hunsman; re Pottinger"?
A. Well, I think this must be wrong, because he's not had anything.
1154. Q. Well, you didn't say to Mr. Pottinger, "Go along to my tailor"?
A. No. I am sure he didn't go, either. I wouldn't know he knew.
1155. Q. And then we come to the £1,650. A. Sorry, where's this?
1156. Q. We have mentioned that; you say you cannot recall why that was paid? A. Well, I don't know these individual items, sir, but I do know this, that he has not had that large sum of money himself. I do know that there was these errors and I was embarrassed, and finally he has paid another £8,000 himself, because I have been unable to pay them, for errors of my heating and ventilating section.
1157. Q. What exactly was the arrangement with Mr. Pottinger? Did you agree to build him a house? A. Yes.
1158. Q. And your staff were employed on the design --- A. And on the execution, getting the tenders in - everything.

1159. Q. Did you sign any agreement with the builders, or was it Mr. Pottinger who actually signed with the builders? A. I'm sorry to have to say to you, but I find they neither had any contract - they had tenders with the builders, but they were adjusted and they never made a contract with them, and I didn't, of course, find this out until the final account came due, because it wouldn't come to my notice until then. After all, I was paying people high salaries. This man was getting £5,000 a year to run this job - not this job, but I mean the Scottish office.
1160. Q. Now, I would like you to look at folio B.3(A). A. Yes.
1161. Q. The first column, 26th November, 1965, a payment of £1,000 to Dr. R. E. Chapman. Who is that? A. This is a man who was a geologist, and he was a consultant, and it was in connection with the Mossamade harbour, and he is now a Professor in Geology at Brisbane University. Cybulski is one of my staff, a planning officer, who is a Pole, and left for a period, and then came back as a consultant as we couldn't employ him full-time. Cheeseman, I can't tell you; I don't even recognise his name.
1162. Q. There is £1,000 on the 13th January, 1967; I do not know the details at all? A. I don't even recognise the name; neither Tansman; a lot of these I don't.
1163. Q. Then we come to the Adeline Theatre Trust, payments under a Deed of Covenant; what was that? A. This was a Deed of Covenant taken out by me at Mr. Maudling's request instead of him receiving a Chairman's honorarium.
1164. Q. Can I get that quite clear? You said that it was a Deed of Trust taken out by you at Mr. Maudling's request instead of payments made to him as Chairman? A. Of I.T.C.S.
1165. Q. Of I.T.C.S. A. His wife being the main person in raising the funds for this theatre at East Grinstead.
1166. Q. Why should you do it and not I.T.C.S.? Why should you make the payments instead of the Chairman's honorarium for I.T.C.S.? A. Well, I asked him to take on this job as Chairman of I.T.C.S.; that's, I suppose, why.
1167. Q. And payments were made regularly? A. Well, that's it, naturally, and they weren't completed because I couldn't do it.
1168. Q. Take the tax recovered into account, a total of £22,000. A. That's right.
1169. Q. Up to 28th June, 1970. Did that money go to this Theatre Trust? A. Certainly.

1170. Q. Do you know anything about the Theatre Trust? A. Only what I've told you, that Mrs. Maudling was the - I don't know if she was President, or something like that, of it. It is a little theatre built at East Grinstead.
1171. Q. Do you know that that company went into liquidation?
A. No. When was this?
1172. Q. Adeline Genee Theatre Productions Limited passed a resolution for voluntary liquidation on the 29th March, 1968. A. And they have received money since that date from me?
1173. Q. Was that possibly the production company of the theatre? The Theatre Trust is not a company, I understand it is -- Well, according to the Trustee who has checked on this, no accounts have been filed by that Trust with the Registrar of Companies. A. So it hasn't gone bankrupt?
1174. Q. Well, I know nothing about it; nobody knows anything about it ---
MR. SAFFMAN: I would have thought, sir, that a charitable trust would be responsible to the Charity Commissioners, not to the Companies' Registrar for the filing of accounts.
MR. MUIRHUNTER: My instructing solicitor was referring to no accounts having been filed with the Charity Commissioners, the provisions being that you must file accounts within the expiry of one year from the commencement of the charity and they are not on the file yet.
1175. THE OFFICIAL RECEIVER: Can you recall, Mr. Poulson, when you entered into this Deed of Covenant? A. No, I can't remember. When did I.T.C.S. start?
1176. Q. The first payment seems to have been made in October, 1966, £5,000? A. Well, he started by being Chairman of C.P. for about a six months' period, and then I.T.C.S. came in and he left C.P., so I don't know what those dates were; I can't remember them.
1177. Q. Was any explanation given to you why this arrangement should have been entered into? A. He preferred this. He wanted to help this theatre fund of his wife's and so he said he would prefer it to be done this way, or else otherwise I'd never heard of the Adeline Gennee, would I?
1178. Q. Well, I do not know, Mr. Poulson. I see the last payment was on the 25th March, 1969. No doubt Mr. Hunter will consider the significance of that payment. Well, I think I have covered now most of the payments that we have been able to go

through and extract from your cash book in the time available. Can you think of any other payments that you might have made which would be of interest to the Trustee? A. Well, the only things that I can think is where are all the covenants that I've done for various charitable things - there's a host of them.

1179. Q. What is the sum involved? A. Well, it would be quite large.

1180. Q. Well, I mean to say --- A. Well, I should think two schools have benefited to the extent of £10,000.

1181. Q. Yes, but when were these payments made; have you made any --- A. Well, I can't say without the books. I mean, I just can't remember, which, after all, is quite reasonable, but I was looking forward to a meeting in April when I thought all this was going to be dealt with by the Public Trustee in Sheffield, but unfortunately it was cancelled.

THE OFFICIAL RECEIVER: I do not think, sir, that I have any more questions to put at this stage. This is as far as I can go on the information that we have been able to extract from the records so far, and perhaps Mr. Hunter would like to continue.

BY MR. MUIR HUNTER:

1182. Q. Mr. Poulson, you were shown just now a photographic copy of a file entitled, "Correspondence mainly between debtor and the Right Honourable Reginald Maudling between 1st December, 1966, to 2nd July, 1970", and do you remember it was on this file that you were shown the letter about Mr. Merritt's cruise passage? A. I produced that file.

1183. Q. Yes. Now, you have been asked some questions about Adeline Genee Theatre Trust. Would you look at this document, page 110, and tell me if it is a letter to yourself, a personal letter to yourself from Mr. Maudling, and, if so, please give the date? A. Yes.

1184. Q. What is the date? A. 5th February, 1967.

1185. Q. And this says: "My dear John, I enclose another covenant form as arranged. I should be most grateful if you could arrange for it, together with the first payment as we discussed, to be sent to the Trust before we leave for Liberia." Was Mr. Maudling going to Liberia at this time, can you remember? A. Yes.

1186. Q. Was he going on your behalf? A. Yes.

1187. Q. So he wanted this covenant to be done before he left?

A. Well, I didn't know there had been two until -- you see that letter.

1188. Q. But I mean that was a condition of his going? A. Oh, no.
1189. Q. Are you sure? A. Certain. He wouldn't do things like that.
1190. Q. Whose writing is at the bottom beginning "L.C."? Is that your secretary? A. Yes.
1191. Q. Thank you. And this note says, "This is a covenant Mr. P. is taking out on Adeline Genee Theatre, East Grinstead. It is really for Mr. Maudling"? A. Yes.
1192. Q. Was that instructions she had received from you? A. No, she was just making a note of what it was.
1193. Q. How would she know that? A. Well, she knew everything.
1194. Q. I see. A. Everything that went on in that business.
1195. Q. Now, this was 1967, February, and you have told the Official Receiver that the first payment was in 1966? A. I could only go on this from the date of the formation of that company.
1196. Q. I think you can take it that they are accurate. The first payment was the 7th October, 1966 - folio B.3(A) - and you will see that underneath the item £5,000 is written "Construction Promotion Limited". Does that mean that that sum was paid by that company, do you suppose? A. Well, I can't tell you here, sir, because he was, as I have already stated this morning in reply to the Official Receiver, for, I think, a period of not more than six months, Chairman of Construction Promotions, and then he formed I.T.C.S. and relinquished Construction Promotion. Therefore, they wouldn't debit him with £5,000. He took over from the previous chairman at his death, and the previous chairman had £5,000 a year, as you have got on the front page of all this - St. Botolph's Investment.
1197. Q. So do I understand Mr. Maudling was saying that he did not want the chairman's salary, but would you subscribe to his wife's favourite charity? A. That is correct.
1198. Q. So that was debited, was it, originally, to Construction Promotion? A. I wouldn't know, sir; I didn't keep the books. If it was, all I can say is that I am assured that it has been paid back, that Construction Promotion have paid the full amount plus the 7½ per cent, but all this can be found out.
1199. Q. This item appears in folio 242 of your cash book as "Construction Promotion, £5,000", and somebody has written on the

- right-hand side, "This appears to be payment made under Deed of Covenant re Adeline Genee Trust", and that would mean, would it, that Construction Promotion paid that money themselves under the Covenant, and then you repaid them; would that be right? A. No, no, no, no. Well, first of all, I don't know whether it was ever transferred to them. The only thing I can suggest is that the accountants be approached to see whether this was Construction Promotion, a portion of that, because it certainly couldn't be £5,000 for a year because he didn't serve as chairman for a year.
1200. Q. Well now, you see, I asked you what was meant by "another covenant form". Is this perhaps the explanation, that you had originally given a covenant, or agreed to the giving of a covenant, by Construction Promotion for £5,000 a year and you either arranged to transfer that covenant to yourself, or Mr. Maudling asked you to transfer it to yourself? A. No, sir, it was - I'm quite sure of this - it would be because it was a new company, I.T.C.S., and not C.P.
1201. Q. Well now, if we look at a letter four days before, on the 1st February, 1967, written by yourself to Mr. Maudling, it begins this: "Dear Reggie, Construction Promotion Limited. I am reducing the balance-sheet still further in view of the fact that there is a work-in-progress item not now applicable to C.P." - that is Construction Promotion - "but transferable to I.T.C.S." Does that not suggest that you were getting the covenant out of the Construction Promotion balance-sheet for the purposes of reducing it in the way that you have just described? A. I can't say that I understand that, sir. Can I read the letter?
1202. Q. Of course, yes. It goes on to say that "The work in Tenerife has been a bit of a flop". That is what you were paying Mr. Roberts for? A. That's right.
1203. Q. The Tenerife contract? A. Plus the Mossamadees contract.
1204. Q. You will see it is in the first paragraph. A. Yes. (Witness reading letter to himself). I can only assume here, sir, as I have said earlier, C.P. only had one job, and whether there was some work that was going to C.P. and was going to be transferred to I.T.C.S. at that time. What it was, I have not any recollection whatever, but obviously there was something that was being transferred and it could only be some work, and it might have been this Liberian harbour, but it could have

- been all sorts of things.
1205. Q. At any rate, Mr. Maudling asked you to do that instead of paying him a salary? A. Yes.
1206. Q. Did you get the job of building the theatre? A. No, the theatre was built before I -- I think before the first payment was made.
1207. Q. Well now, in 1967 what was your financial position? A. Which part of 1967?
1208. Q. Well, any part of it. A. I should think very good.
1209. Q. Were you not already falling seriously into arrear with your income tax? A. No, I thought it was the end of 1967 that it came.
1210. Q. You mean you were falling into arrear at the end of 1967? A. Well, is it 1967 or 1968? Which was the date of the ---
1211. Q. Well, we agreed on the last occasion that on the 18th November the Revenue had obtained against you a judgment for £200,000? A. That was 1968, I believe.
1212. Q. I said at the end of 1968. A. Sorry.
1213. Q. Well now, you agreed with me, I think, that that represented an accumulation of income tax for some time past, and I think we did that together - Sir, it is at question 526 - and I put this to you: "The judgment which the Revenue obtained against you on the 18th November, 1968 ... related to income tax schedule 'D' for 1966 to 1968 of some £60,000 covering those two years." Does that remind you? A. Well, I mean, I remember you raising this, but as far as the figures are concerned, no.
1214. Q. And you agreed with that? A. Well, I mean, the figures I have to agree because I have got no records.
1215. Q. "For your surtax for the years 1965/1966 and 1966/1967 of some £100,000, so that is £160,000 unpaid tax going back to the tax year 1965/1966, is it not? A. Yes"; and then we went on to the unpaid P.A.Y.E. But does that not suggest to you that during 1967 you must have owed a great deal of money to the income tax? A. Yes.
1216. Q. How then did you consider it proper to sign a covenant for Mr. Maudling's wife pet charity which would cost you £8,000 a year, starting in October, 1966, and continuing through 1967, 1968 and 1969? A. Because at that time, apart from the fact that it wasn't until December, 1968, that the Revenue did do that, I had no conception other than this, that I was owed very much more - and the volume of work was terrific -

I was owed very much more than I owed anybody else, and that was right to the end, sir, the position. I never was in any doubt as to the confidence ---

MR. SAFFMAN: May I ask, sir ---

THE REGISTRAR: Yes.

MR. SAFFMAN: Because surely rather than speculation by my learned friend on this matter, when the assessments were raised in respect of this tax and the time for the appeal had expired, because it would not be until that date that the money was owing and Mr. Poulson would be insolvent if he could not then pay it - rather than speculating about these dates, is that not the way to deal with it, sir, with respect?

MR. MUIR HUNTER: I am anxious not to become involved in argument, either about section 42 of the Bankruptcy Act or about the Finance act. The reason for my question is this, that if a man earns £100,000, he becomes liable to tax thereon at the appropriate rate, whether assessed or not, but I would suggest, sir, that my friend should consider that the Revenue had obtained a judgment in November, 1968, which could not have been obtained unless and until the assessments had been made, confirmed, and any appeals had been exhausted. May I therefore continue?

THE REGISTRAR: Certainly.

1217. MR. MUIR HUNTER: Well now, the reason for my question is this, Mr. Poulson, you see; having regard to the very good terms that you and Mr. Maudling and Mrs. Beryl Maudling were on, did you consider whether you should ask to be allowed to revoke this covenant on the ground of your financial position?

A. Which I did.

1218. Q. Did you? A. Yes. Mr. Grimwood saw him about it.

1219. Q. Well, on the 25th March, 1969, you paid £5,000? A. Yes.

1220. Q. When did you revoke it? A. Later that year. I went and did it with, I think, the Chairman of the (? Midland) Bank.

1221. Q. You were asked, actually, if you knew that theatre company had gone into liquidation on the 29th March, 1968. Did you not receive any communications from the theatre? A. Not that I am aware of, no.

1222. Q. But you continued to write on very affectionate terms to Reggie and Beryl, if I may use the words in which you address them, almost up to the end. Did you never hear what had happened to the theatre to which you were paying £8,000 a year? A. No, sir.

1223. Q. Did you ever ask? A. No, sir.
1224. Q. Was that because this was not really a charitable donation by yourself, but merely a price for getting Mr. Maudling to become your Chairman? A. No.
1225. Q. And it, therefore, did not matter what the theatre was doing; is that the explanation? A. Well, it was no concern of mine.
- Q. Well, you are now a very, very, insolvent person, are you not, Mr. Poulson? When did you start becoming concerned about where the money was going to? A. In the case of Mr. Maudling's theatre trust, I never was concerned until you asked the question now, until I found I couldn't pay it and I informed him of it.
1227. Q. Well, I mean in July, 1969, do you remember -- A. Yes.
1228. Q. In answer to an action brought by your associate, Mr. Harvey, you put up a defence which the learned judge described as an allegation of a sham agreement, as a way, as you agreed, of not paying Mr. Harvey, although it is fair to say, as you put it, that that was what your solicitor's advice was, but if you were prepared to resist your employee by putting up a defence of that sort, would it not have been expedient to try and curb your expenditure in other directions of a less meritorious kind? A. I never thought of it in relation to that.
1229. Q. Well now, it is plain, is it not, Mr. Poulson, that although the Trustee is not, of course, concerned with the matter of your conduct, these immense expenditures which we find on these sheets must be regarded as having contributed to your insolvency, must they not? A. Yes, I suppose so.
1230. Q. If we look at the end of B.5(A) where it is totted up, we find that for the period covered by these transactions between the 1st March, 1962, and the 28th February, 1970, these payments - some of which I know you have explained - come to £334,722, if you will accept the arithmetic from us? A. Yes, sir.
1231. Q. Of that formidable sum, Mr. Dan Smith, as you have seen - and that is on page A.5 - is £155,518, which is half. And then there are other very large sums to which I shall be drawing your attention. Now, it is plain, is it not, Mr. Poulson, that you are a man with an immensely generous heart; is that not right? A. I used to think so. I think now, when I see these figures, "stupid" would describe it.
1232. Q. Yes, stupidly generous. So the situation was this, was it not, that you were prepared to lash out large permanent regular sums to your old chums? A. I didn't know they were old

*Some of them I had
never even met*

chums; some of them I had never even met. They weren't -
not in that context, no, sir.

1233. Q. Mr. Poulson, surely you are not paying these large sums to a stranger? A. No, but they weren't ---
1234. Q. Not strangers to begin with. So it is really all a great big philanthropic institution, is it not? A. No.
1235. Q. You see, if it was gifts like that, then I think you would agree, would you not, they were gifts that you ought not to have made when you were insolvent? A. But I didn't appreciate that situation, sir, and I reiterate this, until the end of June, 1969.
1236. Q. Well, when you were insolvent we shall have to discover as an objective matter by doing the sums, but what I am here seeking to establish is that with the exception of those persons in relation to whom you have given an explanation of work that they did for you, everybody else is the recipient of a philanthropic donation, are they not? A. Yes.
1237. Q. So if the Trustee can proceed on that sworn evidence of yours he might be able to recover money for your creditors?
A. Yes.
1238. Q. So what you and I, I think, perhaps should do, Mr. Poulson, is just to knock a few nails in, shall we, on this point to make sure that everyone on this list is a recipient of a philanthropic donation and not for services rendered?
A. Well, I mean, we can't say that about Marr, the solicitor; we can't say it about Sir Herbert Butcher, who is dead.
1239. Q. Well, we can say anything about a man who is dead, you know.
A. Well, I mean ---
1240. Q. No problem there. However, we are all protected by absolute privilege --- A. You are, sir.
1241. Q. So are you, Mr. Poulson. A. I didn't appreciate that.
1242. Q. Oh, yes; you can unbutton yourself now. Now, you have mentioned Sir Herbert Butcher, which is the third column of A.1, who got £416. 13. 4d. a month for a very long time indeed, except that he did not get it, it was paid to some people called St. Botolph Investment Company Limited. A. I wasn't aware of that until I see that here, but I recognise I used to ---
1243. Q. Who was Sir Herbert Butcher? A. Oh, he had been a friend of mine ever since the end of the war.

1244. Q. Is he anything in public life? A. He's dead.
1245. Q. I am sorry. What was he when he was alive? A. Oh, a director of a lot of national companies and a Member of Parliament.
1245. Q. A Member of Parliament --- A. And I met him because I was a member of the same party.
1246. Q. What was his constituency? A. Boston-with-Holland.
1247. Q. Were you doing any work in that constituency? A. No.
1248. Q. And Sir Herbert must have been a very rich man? A. When I first knew him, he was not.
1249. Q. Well, we are speaking about 1962. A. Well, I wouldn't know then, but that wasn't when I first knew him. When I first knew him it would be 1952.
1250. Q. You thought that Sir Herbert needed a bit of help and so you paid him --- A. He was the man who foresaw that it was possible to set up Ropergate Services and get that through Millard Tucker's help.
1251. Q. I beg your pardon? A. He was the gentleman who formulated the idea that a professional man unfortunately has too high a taxation in relation to other businesses, and that a service company was the answer, and he, with the help of Mr. Marr of Millard Tucker, finally formulated Ropergate Services, and it was his brainchild because he classed himself as an expert on tax law.
1252. Q. Well, the total received by Sir Herbert was £21,666? A. Well, he was Chairman of C.P. for that period, and when it is £5,000 a year, that is the period of C.P.
1253. Q. Just a moment. (Mr. Muir Hunter speaks with junior). A. Yes, but these were only registered, unfortunately we find out, quite a long time after.
1254. Q. He was appointed a director of Construction Promotion Services on the 10th January, 1964, and resigned on the 11th May, 1966? A. That's when he fell ill with cancer. This date's 30th June, 1963. I couldn't say what he got in the previous year.
1255. Q. You were paying him £5,000 a year? A. For the first year.
1256. Q. No, every year? A. Yes, but I'm talking about prior to that date.
1257. Q. Well, what you paid him before was then purely out of the goodness of your heart? A. No; he didn't introduce any work, but he was advising me on, as I said, formation of Ropergate Services, and things like that.

1258. Q. Was he an architect? A. No.
1259. Q. So in the case of Sir Herbert you would say that part of the time it was advising you? A. Yes.
1260. Q. And part of the time what? A. Chairman of C.P.
1261. Q. Well then, why are the payments of the Chairman's salary of Construction Promotion Limited paid out of your account and debited to you? A. For the simple reason that I find that the book-keeping, they kept everything in one cash book instead of keeping things separate, the same as even, right to the end, they kept the associates, the same with the architects.
1262. Q. That is not quite what I am talking about. Are you saying that the figures that you see on front of you, as from the appointment of Sir Herbert in January, 1964, should be debited not to you but to Construction Promotions Limited? A. Yes, if that's the date of that register of the company.
1263. Q. You see, you have expressed natural surprise at the enormous sums involved. Does it appear, therefore, that you have been debited in your books with payments made for the benefit of companies in which you did not hold any shares, as in the case of Construction Promotion? A. Yes, but they really should have been done through Ropergate Services, and unfortunately ---
1264. Q. Never mind who it should have been done through. Does it appear that you have apparently been debited with sums which are not your responsibility and which the Trustee might, therefore, be able to recover? A. Yes, providing they haven't been already recovered.
1265. Q. Do you think that likely? A. Well, I understand that C.P. have paid all their dues and demands, that they have paid out. I am informed that; I don't know.
1266. Q. We shall have to investigate that. When was this C.P. (Construction Promotion) transfer made? A. Well, I think these dates, sir - unfortunately, we have had experience of this, and I remember distinctly that some of these dates are a long time after the companies were in operation, when they registered the various returns.
1267. Q. Do you know what happened to Construction Promotions? A. Yes, it was sold.
1268. Q. Who to? A. The then Managing Director.
1269. Q. Who was that? A. A man called Pollard.
1270. Q. Oh, Pollard of Pollard Bearings? A. No, no; no relation - no connection.

1271. Q. Yes, I see. Well, Mr. Pollard bought the shares and therefore --- A. Look, I don't know. I say he was the main one; I don't know who they were, the rest.
1272. Q. Did not your wife have some shares in C.P? A. She had the control -- she had the lot, hadn't she?
1273. Q. So she sold the shares and she had the money? A. Yes.
1274. Q. But it looks, does it not, now as though Construction Promotions had had the salary of its chairman paid for a period of something like two years; is that right? A. But it would also appear, as I said when Mr. Bishop was mentioning it, there were other items down here of other members of C.P. staff which also were on this list.
1275. Q. Just let us concentrate on the former chairman, shall we? So would you undertake to assist the Trustee in disentangling how many of the payments to Sir Herbert Butcher in his capacity as director of Construction Promotions were wrongly debited to yourself and not to that company, and have not been refunded? A. I shall be delighted to.
1276. Q. And you say as to the previous period this had been done --- A. Mind you, I don't -- I think that you will find that half of that probably is before the date of that register and C.P. was operating.
1277. Q. So may be the whole of Sir Herbert, do you think, is attributable to Construction Promotions? A. I wouldn't know. I shall have to look at the date it started, that's the whole point, but I'm quite sure from our experience of the other companies, the lateness in which they registered these details, that it will be before that date that is shown.
1278. Q. I am not appearing for you, Mr. Poulson, but I am sure you are aware that there are certain penalties attached to persons who become bankrupt who have failed to keep, or to cause to keep, their books of account in due order. Should you not be rather more careful about the way in which you attribute these facts to the errors of your book-keepers? A. They weren't book-keepers, sir, they were fully qualified accountants, and I was paying high salaries, and I didn't expect to have to do their work.
1279. Q. And you are asking the Court to believe that you could have £300,000 taken out of your pocket over a period of seven years without noticing? A. But I didn't realise it was that amount because we didn't carry it on from one year to another, and it wasn't kept as a separate item.

1280. Q. You were just permanently short of money, were you not?
A. No.
1281. Q. Quite sure? A. No. I had no money pressures until 1968.
1282. Q. When did you start paying your P.A.Y.E. which you had deducted from your employees' salaries? A. Perhaps you can tell me. I can't.
1283. Q. It must have been the beginning of 1968, must it not? Well, now, let us consider Mr. Pottinger. I somehow do not feel you have done yourself justice. When you were examined about Mr. Pottinger, but not by myself, on the last occasion, you said this - (transcript of proceedings handed to witness)- if you look at page 31, question 393, you were asked by the Official Receiver, "Mr. W. G. Pottinger; who was Mr. Pottinger?
A. He is the Secretary for the Department of Agriculture in the Scottish office." "Q. Now, according to this account, Mr. Pottinger received £8,053 for the year ended 30th June, 1969. What was that for? A. A gift from me". And then the Official Receiver puts to you, "Why should it be shown in 'consultancy fees'?" and you said, "Until I was told in your department, I did not know it had been". "Q. Why should you make Pottinger a gift? A. Because he had been a very good friend of mine and my family for many years, and he was building a house and I told him I would help him". "Q. You paid him a total of £19,000, did you not?" Now, it is not quite clear to me, Mr. Poulson, what you are saying now. If we look at this list, starting on folio B.2, we start with "H. Hunsman (tailor), £95 13s. 6d.", and surely by no stretch of imagination, Mr. Poulson, could anybody writing up any book of yours have put down your tailor's bill with "Pottinger" beside it if he had not been told? A. I'm jolly sure that could have happened many times, and did do, because I found they put all sorts of things against me and ---
1284. Q. Yes, but look; I mean, by the greatest stretch of imagination could any audit clerk writing down your tailor's bill write down the name of a prominent civil servant alongside it?
A. I don't know.
1285. Q. Is the world full of Pottingers? A. I've never heard of one before.
1286. Q. You sent him to your tailor to have a suit made? A. No, sir.
1287. Q. So that he could come to your parties; is that not right?
A. Parties?

1288. Q. You had very distinguished parties. A. I didn't.
1289. Q. We have lists of invitations. A. Oh, that was only I.T.C.S. at the formation of it.
1290. Q. You had very large bills at the Dorchester, did you not?
A. Yes.
1291. Q. And you paid them before you paid your income tax in March, 1970. At any rate, we start off with Mr. Pottinger, and I will suggest to you that you bought him a suit, and then you paid him £1,650 in April, 1966. Now, that was a gift, as you said on the last occasion? A. Yes, that's right.
1292. Q. When did this house start? A. I can't tell you, sir. I should have to look up the records.
1293. Q. Look, he is a very old friend of yours? A. Yes, I know, but there's a lot happened to me since that date, and I just can't remember these dates.
1294. Q. How long did the house take to build? A. I never saw it during the course of erection, not once. I should think it took two years, there were so many problems.
1295. Q. You said that there were no contracts made? A. This is what we found out at the end.
1296. Q. Well, look, this is a chap you know, and I suppose you saw him from time to time, did you not? A. Yes, but didn't see him much during the course of this house building, because I hadn't anything to go to Scotland for.
1297. Q. Yes; but, I mean, he said, "I want a house", is that right, and you said, "I'll build it for you", and then you said, I suppose, "How much do you want it to cost you", and he said, "Do I have to worry about that?"; is that right? A. No, he didn't.
1298. Q. Well, you tell me what he did say? A. I can't remember how it happened, but I am quite sure ---
1299. Q. Oh, come. How many houses in the country have you built for senior civil servants? Is it too difficult to remember this one? A. No, but we don't do many houses.
1300. Q. No; so it would stick in your memory? A. No, it wouldn't, for the simple reason I wasn't dealing with the arrangements connected with it.
1301. Q. Did he say, "I want a house and I've only got £10,000," and you said, "I'll build you a house and don't worry about the rest"?
A. No.
1302. Q. Well, then, what do you mean by saying that there were errors made? What kind of errors? A. The errors were that, first

of all, they employed a heating engineer who went bankrupt on the job.

1303. Q. Yes. A. And then we employed another one, and, of course, when you have to -- when somebody goes bankrupt and you bring somebody else on it costs a lot more. And the second one, believe it or not, went bankrupt.
1304. Q. Yes, go on. A. And the inefficiencies were terrible.
1305. Q. Yes. A. And also the builders were.
1306. Q. Yes, go on. I still want to know what kind of error is made financially? A. Well, I could only go through this in detail and get all the details for you and let you have them, but I can't tell you; I should be -- I can't even guess at them.
1307. Q. Mr. Poulson, you are here to give the best account you can of your transactions. This gentleman, in fact, received from you a total in cash or in value of £21,000, did he not? Well now, you must have some general idea about what this is for. I mean, I suggested to you that you said you would build a house for nothing, you would pay? A. I didn't do that.
1308. Q. Then I suggested to you that he said he had only got 'X' thousand pounds, and you said you would bear the difference, and you wouldn't have that. Now, what will you have? A. I think the errors of this would come to about £10,000.
1309. Q. So £10,000 of the £21,000 is compensation to him for building mistakes? A. Not compensation; they are an acknowledgment of mine that these things happen.
1310. Q. Right; and what is the rest? A. Gift, as it was.
1311. Q. How do you mean "a gift"? A. Yes.
1312. Q. Well, you see, it is paid in a funny sort of way. A. It is paid to the builder.
1313. Q. £1,650 in April, 1966. You would say that was paid to the builder? A. I should have to check all these up, sir. I can't remember these, and the £2,000.
1314. Q. And the next page £300 in what looks like July? A. No, sorry, not the first one, no, definitely; and not the second and third. I am sorry, I was looking --
1315. Q. Well, the third one -- A. I am talking about the last page, B.5.
1316. Q. The third one was £3,500. What was that for? A. I think that was a gift. That is seven, ten - that is somewhere about ten thousand I thought I'd given him, and the remainder I would say is all --

1317. Q. Then £4,150 in August, 1967, and £3,000 in February, 1968.
A. I think some of those - part of them - were part of the heating engineer, but the last page I am quite sure are all builders, but I should have to check up this Harvey. I just don't know even who he refers to.
1318. Q. How much did Mr. Pottinger contribute himself? A. I couldn't even answer that question; I don't know.
1319. Q. But, Mr. Poulson, are you really doing yourself justice?
A. I had five or six hundred contracts a year, sir; I can't remember the details of them.
1320. Q. You will not, of course, have it, will you, Mr. Poulson, that this was a payment for any sort of services rendered? A. Of course not. I should be --
1321. Q. Of course not. It would be dreadful, scandalous, would it not?
A. Well, it wouldn't be honest.
1322. Q. Well, then, will you kindly explain to this Court, if you please, why at a time when, within two years, you terminate with an immense bankruptcy, you paid your old friend sums amounting in the end to £21,000, which I think must amount to approximately the same amount as Mr. Pottinger's salary. What was the relationship between you and him that justified such payments which you describe as gifts? (No reply).
1323. Q. Have you anything further to say? A. I don't think so, sir.
1324. Q. Well now, we have asked Mr. Pottinger for his explanation, and by a letter from his solicitors dated the 18th May, 1972, he says this: "Mr. Pottinger has no record of the individual payments which comprise the sum mentioned in your letter. He is, however, aware that some payments were made towards the cost of the house which Mr. Poulson built for Mr. Pottinger under an arrangement between them." Now, do you remember an arrangement between yourself and Mr. Pottinger? A. No.
1325. Q. Well, he does. "That Mr. Poulson would pay the cost of building Mr. Pottinger's house in excess of the sum which Mr. Pottinger might be able to find from his own resources."
A. Well, I'm glad of the last part, I began to wonder.
1326. Q. I beg your pardon? A. It sounded terrible the first part of that sentence.
1327. Q. Well, you see, you would not have that, would you? That was one of the alternatives I put to you and you would not have it?
A. But I can't remember this, sir.
1328. Q. He goes on: "This arrangement" - so he is obviously referring to some kind of contract - "was made at a time when Mr. Poulson

was a wealthy man, and the gift arose from the high personal regard which existed between Mr. Poulson on the one hand and Mr. Pottinger and his family on the other. Moreover, the balance of the builder's costs, which it had been Mr. Poulson's intention to pay, was cleared by Mr. Pottinger to avoid proceedings for payment being taken by the contractor." So you did not pay the whole of the bill? A. No.

1329. Q. Now, for goodness sake, what did this house cost? A. I don't know, sir.

1330. Q. Well, how big a sort of house was it? A. Well, it's only three bedrooms.

1331. Q. Three bedrooms. £30,000? A. I shouldn't have thought that.

1332. Q. £20,000? A. Yes, somewhere about that.

1333. Q. So, in fact, you paid a sum equivalent to the whole, equal to the whole? A. Yes, but I -- There were sums - I paid some of the sums because I felt there were errors being made, and he certainly hadn't been acquainted with this.

1334. Q. Well then, you cannot tell the Court any sum that Mr. Pottinger paid himself? A. I haven't any details of that, or what I paid, except the details here.

1335. Q. Well now, you were just old pals, were you? A. Yes.

1336. Q. And he was just a friend of whom you had a high personal regard and a very, very, open purse for him, had you not? A. Yes.

1337. Q. Did you do anything else for Mr. Pottinger? A. Not that I am aware of.

1338. Q. Absolutely sure? Just think? A. I didn't buy any furniture for him --

1339. Q. Think of the chief secretaries of Government departments whom you are friendly with and to whom you have given large gifts; just range them in your mind and then concentrate on Mr. Pottinger and remember what you did for him over and above what we have been discussing, will you? We will come to the other chief secretaries in a moment. Did you pay for Mr. Pottinger to have a car? A. I loaned Mr. Pottinger a car.

1340. Q. When? A. I can't remember the date, sir.

1341. Q. And why? Mr. Pottinger must, I imagine, have been earning about £8,000 a year. A. I don't know what he earned.

1342. Q. Well, he was the chief secretary of the department? A. Well, yes, but he's only --

1343. Q. Yes. Now, you remember on the last occasion at question 398, the Official Receiver was asking you some questions about a memorandum which Mr. Wilson had presented to you on the 9th

November, 1969, which starts at Q. 354, and, in this, Mr. Wilson, Mr. McCowan and Mr. Baker were repeating their apprehensions, were they not, that you were insolvent and you must make violent economies, were they not? Now, I will read from page 6 of this memorandum: "Transport and cars. The following persons should be informed that the firm wishes to withdraw the motor car provided to them, but they will be given the option of purchase at a reasonable valuation, and the firm will pay no further tax, insurance and other expenses", and in this list appears Mr. W. G. Pottinger. Now, what sort of car was this and how long did you provide it for? A. At the time I have no recollection of the car --

1344. Q. Well, you must have ridden in it. A. I would have thought two years.
1345. Q. Two years. And what kind of car was it? A. A Rover.
1346. Q. A Rover. And why should you provide Mr. Pottinger with a car? A. Because I --
1347. Q. You were fond of him? A. Yes; no other reason.
1348. Q. And I suppose sorry for him. He could not provide a car for himself so you were a rich man, you would provide one for him; is that right? Is that right, Mr. Poulson? No services rendered of any sort? A. Not any at all.
1349. Q. And this was in November, 1969, at a time when you knew that you were hopelessly insolvent and it took your staff to tell you to stop providing cars for senior civil servants out of the goodness of your heart. Did it not really occur to you before this? (Long pause. No answer). I see the next name to Mr. Pottinger in this list, as a matter of interest, is a Mr. C. A. Poulson. That is your brother who was a branch manager of Barclays Bank, is it not? A. Yes.
1350. Q. Why were you providing him with a car? A. For the same reason.
1351. Q. Out of the kindness of your heart? A. Yes.
1352. Q. Because he could not afford it. A. Which he bought later.
1353. Q. He bought it? A. Yes, and so did Mr. Pottinger buy his.
1354. Q. What? A. Mr. Pottinger bought his, I think.
1355. Q. Oh, he bought his in, did he? A. I think so.
1356. Q. When was that? A. I have no idea. At that time, I suppose.
1357. Q. Well now, I promised that I would come back to the other senior civil servants. Starting with Mr. A. J. Merritt, the Principal Regional Officer to the Department of Health. Now, when you

- were asked about this on the last occasion at question 402 onwards and you were told that he had been paid £2,500 in the year ended 30th June, 1969, you said: "Advice on hospitals after he had retired from the Ministry." And then you said that he was the Regional Officer in that area, and at 409 you said, "He had left the Ministry; he was retired", and the Official Receiver put to you: "According to my information he he retired on the 1st January, 1968, and by the 30th June, 1968, he had received a total of £2,972, so you were very quick off the mark with your payments, were you not?" And you replied: "Well, I mean he worked for me afterwards. He could not work for me before, could he?" Do you remember saying that?
- A. Yes.
1358. Q. And you were then told that we had found the sum of £100 which you paid to him in the year ended the 30th June, 1967, and you said: "I cannot remember what that was for, I haven't the foggiest idea." Well now, in fact, the Official Receiver has drawn your attention on folio A.1. and A.3. to initial payments of ten guineas in 1962, £52 in 1963 -- A. 1964.
1359. Q. Sorry. A. Well, it's under the period -- It is 1963.
1360. Q. It is August 1963. A. Yes.
1361. Q. £100 on the 12th July, 1966, and £180 on the 4th April, 1967. So, what would you be paying the Principal Secretary, of this Hospital Board £100 for? A. This man isn't the Principal Secretary, or anything like that.
1362. Q. You mean he is not as grand as I have described? A. No.
1363. Q. Principal Regional Officer, you are quite right. He was retired on the 5th January. But at the time when you paid him these sums in 1966 and 1967 he, in fact, was still a serving officer? A. Well, I don't know about that until this letter. This letter --
1364. Q. He must have been. A. Oh yes, the dates are right.
1365. Q. So, if that was the case then this must have been paid by way of a gift? A. Well, I don't know, I can't -- I can remember now the details about this £180, but I can't remember --
1366. Q. Well, that was sending him on a cruise? A. Yes, but I shouldn't have heard about that if he hadn't have been having difficulty in getting on, I didn't know he was going to go on a cruise when he finished at the Ministry.
1367. Q. Is it part of your job to fix up senior civil servants with whom you work with cruises? A. No.

1368. Q. How many other senior civil servants did you send on cruises?
A. None, to the best of my knowledge.
1369. Q. He is the only one, is he? Well, this really is a very singular incident? A. Well, it isn't, it is because he was going there on his retirement and he couldn't get on. He said there was such a waiting list and he couldn't get satisfaction.
1370. Q. Just listen to the letter of the 22nd February, 1967, written by "V.M." A. Miss McLeod, my secretary.
1371. Q. Yes, of course, the secretary girl - addressed to Mr. Maudling, "A personal friend of Mr. Poulson's - Mr. A. J. Merritt, Principal Regional Officer at the Ministry of Health, Leeds - who has been extremely helpful to the firm in that capacity, is retiring at the end of this year and wishes to take a sea voyage in January/February 1968, would your travel agents be able to do anything?" So had Mr. Merritt been extremely helpful to you as Principal Regional Officer at the Ministry of Health? A. No more than anybody else.
1372. Q. Do you mean Miss McLeod was mistaken in what she wrote? A. No, not mistaken, but it was probably a little bit of a boast.
1373. Q. And Mr. Maudling was sufficiently impressed with your secretary's letter to send off some directive to his own travel agents, Clarkson Booker All Travel, was he not? A. Yes.
1374. Q. And you occupied yourself with this, did you not, as appears from the document 104. That is your secretary's writing, is it not, in which she has written "Ring A.J.M." - that is Mr. Merritt - "and tell him to accept." A. Yes.
1375. Q. And then you had written at the bottom - that is your writing, is it not? A. No, it is Miss McLeod's.
1376. Q. What, are they both the same? A. They both are the same, yes.
1377. Q. I see. And she says "Clarkson Booker All Travel is Mr. Maudling's travel firm." So you and Mr. Maudling -- A. No, no, it doesn't say on this that. It says, "Mr. Maudling's travel firm", that's all it says.
1378. Q. Very well. So you and Mr. Maudling, both persons afflicted by the cares of state and business, were occupying yourself with booking a year in advance a cruise for an elderly civil servant. Is that what you have most spent your time on, you and Mr. Maudling? A. No.
1379. Q. Well, what was it for, Mr. Poulson? A. It was absolutely purely that this man asked me to help him to get on a cruise, as

- how would I have known anything about it.
1380. Q. And then after he went on the cruise, duly refreshed no doubt and sun-tanned, he came back and he worked for you, is that right? A. Yes.
1381. Q. What did he work as? Take a moment to think about it. He has got £333 6s. 8d. a month, which I think is £4,000 a year? A. Yes, but he didn't have it for long, did he?
1382. Q. How long was he to have it? Was this a kind of golden handshake? A. No. Good Lord.
1383. Q. No, it was just a gift out of the kindness of your heart, like all the other goodnesses you have done, Mr. Poulson. Just a bit of comfort for Mr. Merritt in his retirement. Not for services rendered or anything, was it? A. No.
1384. Q. Just out of the goodness of your heart, natural love and affection; is that right? A. Well, he certainly hadn't done anything before he retired.
1385. Q. And he didn't do anything afterwards? A. Oh, yes, he was quite helpful in explaining circulars as they came out.
1386. Q. Oh, so you do not read well, Mr. Poulson? A. No, but I mean after all --
1387. Q. The largest architectural practice in England has to hire a retired civil servant at £4,000 a year to explain circulars to them; is that what you are saying? A. No.
1388. Q. It was a gift, was it not? You might have given him some sort of fancy title, but it was a gift, was it not? A. Well, if it was a gift it would not have been done on a monthly basis, would it?
1389. Q. I do not know. Most people got their gifts on a monthly basis, did they not? Like Mr. Smith? A. Oh, gosh.
1390. Q. Anyway, he didn't really do any work for you at all, did he? A. Not as such.
1391. Q. Not as such, no. So we may pass on and treat that as a gift. What would be the funny sum of £972 15s. 10d. which appears on the 29th January, 1968? A. Not an idea.
1392. Q. You see, that precedes the previous payment. Was that spending money on the cruise, or something? A. I have no idea, sir.
1393. Q. Was it the cruise money itself? A. I don't know.
1394. Q. How much would that cruise cost? A. I have no idea.
1395. Q. Two persons in cabin No. 34 - it was not a very good cabin. I suppose he would need some spending money, would he not? And then would you turn over, if you please. On A.5 he is shown as

receiving another £2,500 "not traced". Could you give me any idea what that was for? A. I have no idea and I didn't know it existed.

1396. Q. Did you used to meet? His total was £5,815. How often did you meet Mr. Merritt after he retired? A. I suppose I only -- Let us see, when did he retire?

1397. Q. On the 5th January, 1968, and he was at sea for about a month after that? A. I think I saw him probably every other month.

1398. Q. What? A. Every other month.

1399. Q. Every other month. Did he come to collect his cheque perhaps? A. No.

1400. Q. Where did you meet - he lives in Leeds, does he not? A. Yes. Either in Leeds or he came to my office or to my home.

1401. Q. Yes. He, I suppose, had been connected with the Airedale Hospital contract, had he? A. No.

1402. Q. Yes? A. No, he wasn't connected with it.

1403. Q. No. So there was no reason for your being particularly charming with him. In what respect had he "helped the firm", the words in your letter to Mr. Maudling? A. Well, as the Regional Officer he had never been obstructionist.

1404. Q. I am sorry, I did not catch that. (Mr. Muir Hunter speaks to his junior). That is what I thought he said. Do you mean most civil servants are obstructionists until they meet Mr. Poulson; is that right? A. No.

1405. Q. What did you mean then? A. Well, he --

1406. Q. Yes, go on? Go on, Mr. Poulson? A. Well, I'm trying to think how I express it.

1407. Q. I suppose there is a sort of twinkle in your eye, Mr. Poulson, is there, that if people are nice to you, when they retire perhaps you will find them a place in your great organization. Could that be what you meant? A. No.

1408. Q. That was not what was in Mr. Merritt's eye? A. No.

1409. Q. Just pure goodness. Well now, I must return to this matter of Mr. Dan Smith who, as you have seen, accounts for one half of the total sums shown on this page. And let us just remind ourselves of what you have told the Official Receiver over a long period in your preliminary statement. Now, you had been asked about Mr. Dan Smith on that occasion and you had said that it started with Mr. Cleeve Barr of the National Building Agency, chief architect, who asked you to assist in a Ministry of Housing programme concerned with Skarne Limited of Sweden, where you

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Sm. 12

went in the next year, that is 1965, is it not? Let him see a copy if he wishes to be reminded what was said. (Handed to witness). Then you go on, "After a year, I came to the conclusion that it couldn't be used in England", so that takes us to 1966, does it not? A. Well, I don't know whether the original date is the right one, and I was, after all, speaking from memory and not from any facts.

1410. Q. No. A. But the details will be correct, but the date is not.

1411. Q. And then you said that you did not think it would work? A. It wasn't a case of didn't think; we just couldn't get it down to the figure that the Ministry of Housing allowed for local authorities to build houses. It was too expensive, although it was acknowledged to be the best in the world.

1412. Q. And you said that when you went to Sweden to see the Skarne people you found they were too expensive? A. That's right.

1413. Q. Mr. Dan Smith was their agent in England? A. That's correct.

1414. Q. And as they were too expensive for you to recommend the Government to use, Mr. Dan Smith's agency for Skarne could not be relevant to our present enquiry, could it? So scratch out Skarne, shall we, and look for some other reason why you should pay Mr. Dan Smith. What was it - a gift? A. Well, I haven't got any details, and never have, of any accounts for him.

1415. Q. Mr. Poulson, you are under a statutory obligation enforceable by the powers of this Court to give a true and fair explanation of your affairs, and are you going to sit there as a former leading architect running an enormous business and say you have no idea as to the purpose and advantage of paying £150,000 to a man over seven years, which is £20,000 a year - you have no idea at all? Think, try again. What was Mr. Dan Smith doing for the Poulson organization? Yes? A. I can't think of any, sir. I just can't; it's no good.

1416. Q. Look, you know this man, do you not, you know him quite well?

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at Colindale
A. I haven't seen him for -- I haven't seen him since 1969.

1417. Q. You mean he left the ship when the drink ran out; is that what you are suggesting? A. No.

1418. Q. At any rate, you saw him before 1969 and you said, "He came to see me once or twice a year" -- A. That's right.

1419. Q. "Hoping to do this or that, asking for increases". Well now, let us take that point, shall we; increases in what? A. His monthly sums.

1420. Q. Well then, so he had a monthly sum. What was the monthly sum for? A. I don't know, because he never produced anything.

Smith

1421. Q. Yes, but Mr. Poulson, you are not doing yourself justice. How did it all start? A. It started with that introduction of Skarne.
1422. Q. Well, Skarne was no good, we will forget about Skarne. Well, then he tries something else. What is the next thing he tries on you? A. I can't remember as far back as that, sir, and whether you believe it or not, it is perfectly true. I mean, the best thing surely he should have to do is to produce this --
1423. Q. No, you are the bankrupt? A. Yes, but he should have to produce this information instead of sending you that letter. He's had all this money, I --
1424. Q. You mean you absolutely decline -- A. No, sir, I do not decline. I have been most helpful all through, and I have been often stated so, and I don't fully, absolutely --
1425. Q. The sum you paid to Mr. Dan Smith -- A. I didn't realise its size until this morning.
1426. Q. The sum you paid to Mr. Dan Smith or his companies exceeds the whole of the unpaid income tax for which you are liable in your bankruptcy? A. I see that now, sir.
1427. Q. You mean that you were sort of spending money, as the saying is, like a drunken sailor caring not what it was for? A. No, there is no suggestion of that.
1428. Q. You must have established, surely, a banker's order, or a series of banker's orders, of a specific sum. Now, what was the first one for? A. Not in -- There was no banker's order with Dan Smith, I'm pretty sure.
1429. Q. Look at page A.1 shall we? £141 13s. 4d. twice - second column from the left - £141 13s. 4d. three times. You see, £141 three times? A. No.
- THE REGISTRAR: Top of the page.
1430. MR. MUIR HUNTER: £141 13s. 4d., that is obviously a broken sum representing a sum of so much a year. And then the next year it goes up to £191 13s. 4d; that is another sum on a monthly basis, is it not? A. Yes, but you said banker's order, sir.
1431. Q. Well then, how else was it paid? A. Well, we paid it by cheque, I expect.
1432. Q. You mean, somebody in your office was sat down each month -- A. Yes, in those days; yes, in those days.
1433. Q. What would that person have been told to do? A. Just pay that sum of money.
1434. Q. And then it goes up to £383 6s. 8d., and then if you look on the next page A.1, the middle section, you will see somebody has

Commission

Scotland

Dan Smith recommended Poulson to people

written "Scotland". Is that for some services rendered in Scotland? A. Probably that was with reference to a house we did, a steel house, for a firm called Brady.

1435. Q. Well, are you proposing, then, to say that some part of these payments were, in fact, commission? A. No.

1436. Q. None of them were commission? A. There was never any agreements on commission, sir.

1437. Q. So what was it that Mr. Smith was trying to increase? (Pause) You are not able to give any answer at all? A. Well, I can't because I can't remember any of the details, sir.

1438. Q. You cannot even remember your relationship, Mr. Poulson; is that right? A. That was a very good one until I began to think I had been --

1439. Q. I mean we have lots of friends -- A. But this is the particular bad one; it is a --

1440. Q. What you are saying is that you were paying money to Mr. Smith for no consideration that you can recall and would you, therefore, like to say that this was a gift as well? All of these were gifts? A. No, no.

1441. Q. Not gifts? You will not say any other reason? A. Well, I don't know what to say, sir, I just don't know what they were, except that they are just absolutely ridiculous.

1442. Q. You did, at one stage to the Official Receiver say that you thought that Dan Smith would recommend you to people? A. That's right.

1443. Q. Well, did he? A. I'm afraid not.

1444. Q. No. And you said, "It didn't work out, I never got anything out of it". Nothing positive to show, and yet you went on paying him. Had you any other reason to pay him, Mr. Poulson? A. (Inaudible).

MR. MUIR HUNTER: I think the witness is not feeling very well. Would this be a convenient moment to rise, sir?

THE REGISTRAR: It would certainly be a convenient moment to rise. (Luncheon adjournment)

MR. MUIR HUNTER: Sir, my learned friend Mr. Saffman has something to tell the Court.

MR. SAFFMAN: I regret to say, sir, as I think you know, Mr. Poulson was ill at the luncheon adjournment. We attempted to obtain a doctor and were unable to do so, and therefore made a 999 call to have him taken by ambulance to the Clayton Hospital where he now is. The preliminary diagnosis is severe shock.

Until they have had an opportunity of carrying out tests, they do not know whether or not there is anything more serious than that, but I did interview the doctor who was attending him and he told me that under no circumstances would he be fit to attend court again this afternoon. I understand that the next date which has been provisionally fixed is the 1st August.

THE REGISTRAR: Yes, it is.

MR. SAFFMAN: May I respectfully submit that that date be left, because if it is shok there appears to be no reason why he should not be able to resume his Examination on that date. If, in fact, I receive medical information to the contrary, then I would, of course, notify everybody else in good time, so that that day should not be wasted, and in those circumstances, sir, I would apply for an adjournment to that date.

THE REGISTRAR: Do you know of any previous medical disorder of Mr. Poulson?

MR. SAFFMAN: I know that on the last occasion when he was before the Court, sir, he was suffering from some stomach trouble, but that does not appear to have any connection with his illness today.

THE REGISTRAR: Good.

MR. MUIR HUNTER: Well, I am sorry to learn of this unhappy news. I, of course, entirely agree with the suggested adjournment, and might I ask that the Court should invite my learned friend to lodge a definitive medical certificate from the consultant when it is obtained, so that the Court will be in a position to know what the prospects are for the resumption of his Public Examination.

THE REGISTRAR: Do you see any difficulty?

MR. SAFFMAN: I do not, sir. At the moment he is in the casualty department and it may be that he will not even be detained, but certainly once he gets home he will be seen by his own doctor, and I will certainly undertake to inform all interested parties as to the likelihood of his being able to attend here on the 1st August. If a certificate from his own doctor would be sufficient?

MR. MUIR HUNTER: Is 1st August convenient to the Court?

THE REGISTRAR: Yes, indeed it is, and we shall probably have far better accomodation than we have had today.

MR. MUIR HUNTER: I wonder if I might take this opportunity, having regard to this unfortunate debacle, of intimating that I have advised the Trustee already that if Mr. Poulson was unable to continue today we should, of course, be declined the

opportunity of examining him on a number of other and very important matters concerning his relationship with Mr. Maudling, Mr. King who has been referred to, and the companies of International Planning & Design and International Technical and Constructional Services, all of which we would have covered, I think, today. In those circumstances as I think we must assume that Mr. Poulson may not be well enough, I was proposing to advise the Trustee regarding a private examination of these gentlemen and I wonder as you have a rather wide circuit, whether you would give the Trustee leave to apply to you wherever you may be at one of your other courts rather than waiting for a time when you would be at Wakefield. Of course, I know the Court has many commitments. It is the application itself that I am --

THE REGISTRAR: The application can be made, yes, in chambers at the other courts, certainly.

MR. MUIR HUNTER: I hesitate to envisage the possibility of examining the Home Secretary himself, but there are other persons who might be able to inform us, like Mr. Sweetman, about these affairs, but they are of enormous importance, involving hundreds of thousands of pounds, to the creditors here.

THE REGISTRAR: Yes.

MR. MUIR HUNTER: So if you would give us leave to apply wherever you may be found for the examination, the examination will then be fixed at your convenience.

THE REGISTRAR: Yes indeed, that arrangement is perfectly satisfactory.

MR. SAFFMAN: Sir, if I may make a suggestion. My learned friend may not be familiar - I am sure the learned Official Receiver is - that there are courts within your circuit which are very much more convenient than those at Wakefield for a considerable number of reasons - in Pontefract for example.

THE REGISTRAR: Yes, Pontefract Court - you mean the court room.

MR. SAFFMAN: The court room.

THE REGISTRAR: That, of course, is a West Riding County Council establishment and is shared with the Magistrates. By far the best accommodation is at Barnsley which is under my control. Whether the hearing could --

THE OFFICIAL RECEIVER: It is a busy bankruptcy court.

THE REGISTRAR: The bankruptcies in Barnsley are small affairs.

THE OFFICIAL RECEIVER: Well, if it is convenient, I can apply

for an Order in Aid to you for the proceedings to be held at Barnsley, but I thought this was just as convenient as anywhere at Wakefield, sir. I understand next month it is a proper court day on the 1st August and we shall be in the West Riding Court.

THE REGISTRAR: Yes, we shall, with all the ancillary accomodation which is so necessary. Certainly, for August, I suggest that the matters stay here in Wakefield. So the Public Examination is adjourned to Monday, 1st August.

(PUBLIC EXAMINATION ADJOURNED)

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