

Mr Michael Crystal  
(5)

" A "

THE BANKRUPTCY ACTS, 1914 and 1926.

IN THE WAKEFIELD COUNTY COURT.

IN BANKRUPTCY.

No. 1 of 1972.

RE: JOHN GARLICK LLEWELLYN POULSON.

RESUMED PUBLIC EXAMINATION OF THE DEBTOR.

BEFORE MR. REGISTRAR GARSIDE

at the Court

this 25th day of September, 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.

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. HUNTER: My learned friend Mr. Saffman has an application, sir.

MR. SAFFMAN: May it please you, sir; at the conclusion of the last hearing on the 7th August, I indicated that I proposed asking under s.108 of the Bankruptcy Act for a review of your previous decision with regard to an adjournment. I have to inform you that as a result of certain information which has come into my possession since that date, I am instructed by my client that he does not wish me to proceed with that application - instructions with which I may say, sir, I wholeheartedly agree - and that in the circumstances I am not making any application for a review.

I would like to take the opportunity, though, sir, of mentioning one thing. Because of the previous examinations, there was a release made to the press by the Royal Institute of British Architects in which they said that because of the evidence given in the transcripts that certain questions concerning my client's professional conduct as a member of the Royal Institute of British Architects had been referred to the Institute's Investigation Committee, and that received very wide publicity.

I would like to take this opportunity, sir, of saying that since that time the Royal Institute of British Architects have, in fact, now decided that they

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.

are not proceeding with any charges as indicated in their press release. That, of course, is their privilege, but I would like to make the strongest possible complaint as to the fact that whilst they gave the widest possible publicity to the fact that further proceedings were being considered, they gave no publicity whatsoever to the fact that those proceedings were not to be continued.

THE REGISTRAR: Thank you, Mr. Saffman. I am sure that wide publicity will now be given to this fact that no proceedings are being taken by the Institute.

MR. SAFFMAN: I trust so.

MR. HUNTER: I think, sir, you might perhaps allow me to say on behalf of myself and my instructing solicitors that none of us had any part in the preparation of the "Sunday Times" colour supplement which appeared yesterday and which contained very extensive, though selected, extracts from the Public Examination held in your court, together with a large number of photographs of persons referred to therein.

I think, sir, it would also be of assistance to the Court having regard to earlier discussions as to the desirability of these proceedings being continued, the Court should be informed that the recoveries to date by the Trustee, actually in hand or guaranteed, already amount to just on £30,000, including a number of refundings of sums received by persons either already referred to or not yet referred to, and there are, the Trustee believes, further such sums likely to come to hand, and that the purpose of the proceedings may therefore seem to that extent to have been justified in the interests of the creditors.

THE REGISTRAR: Thank you, Mr. Hunter. I would also like to add that I did not give any permission for extracts to be reproduced in the "Sunday Times" from the official transcript of these proceedings.

MR. HUNTER: May I express the hope, sir, that next time they choose a rather more flattering picture of me.

Now, sir, on the last occasion and on earlier occasions the debtor has given undertakings to the Court to produce documents and information, and I think it would be convenient if I dealt first with those matters.

JOHN GARLICK LLEWELLYN POULSON, recalled.  
Examination by MR. MUIR HUNTER (continued).

2715. Q. Mr. Poulson, on two previous occasions you have undertaken to have a further search to see whether you have at home any further files or papers relating to your affairs. Have you done so? A. Yes, sir.
2716. Q. And did you between the 5th September and this weekend produce three further suitcases full of documents to your solicitors for onward transmission? A. Yes, sir.
2717. Q. I think you would agree, would you not, that many of those documents are extremely important? A. Yes.

Dan Smith

2718. Q. Could you tell the Court how it comes about that they have not been produced until this time? A. Well, the only answer I can give, sir, is that I wasn't aware that in these documents there was anything of any relevance, and as I've moved house they got mislaid - had been put away in the roof. It is such a small residence we have.

2719. Q. Yes. You ---

MR. SAFFMAN: If I might interrupt for one moment; in fact, sir, the suitcases were handed to me at or round about the beginning of August. I read them first, by arrangement, before passing them on. So I think it ought to be made clear - it is a little ambiguous at the moment - that they have not been produced by Mr. Poulson to the Trustee in the immediate past, but it has been over a period of as long as six weeks.

2720. MR. HUNTER: I am not going to deal with them in detail at the moment, Mr. Poulson, but just to take one specimen. I hold in my hand one of these new files ---

MR. HUNTER: Perhaps, sir, the Court might like, although it cannot be visibly recorded on the transcript, to know that from here to there is the new material, about three cubic feet of documents.

2721. Q. And they were just regarded as of no importance? A. Well, they were - I think they -- don't they refer to O.S.B.?

2722. Q. I hold in my hand --- A. We were not discussing O.S.B. until afterwards ---

2723. Q. Mr. Poulson, will you look at this file called "T. Dan Smith", a pink file with that title. Would you recognize that as one of the files you have just produced? A. Yes, sir.

2724. Q. Now, you have not previously produced any file relating to Mr. Dan Smith, have you? A. I wasn't aware it was there at the time.

2725. Q. No. This file contains, does it not, a large number of personal letters between yourself and Mr. Dan Smith, both about your business, does it not? A. I haven't read the file, sir.

2726. Q. Oh? You mean you left it to Mr. Saffman to read it for you, and was it Mr. Saffman --- A. As soon as I found the files I delivered them.

2727. Q. Yes. It contains, for example, correspondence which shows that you provided Mr. Dan Smith and his numerous family



- with at least two holidays in Greece, paid for through an account in Athens. Do you remember that? A. No, sir.
2728. Q. Well, do you mean you do not remember providing Mr. Smith with any holidays at all? A. Not in Greece. I thought he went on business, sir. I thought he went on business, and I thought he went with one of my staff; certainly not on holiday.
2729. Q. We have had a little trouble, have we not, with holidays, Mr. Poulson? A. Yes. But, I mean, after all, I am going from memory.
2730. Q. You remember, do you not, that when I asked you about a certain civil servant's holidays, you said that was the only time you had sent a civil servant on holiday. Do you remember that? A. Yes, sir.
2731. Q. Day 2. We then discovered, did we not, on the last occasion that you had sent Mr. Pottinger of the Scottish Office on two holidays on Hellenic cruises? A. Yes, sir.
2732. Q. So your first answer in that case was not true? A. Well, it wasn't a case of that, sir; it was memory.
2733. Q. Memory, yes. So Mr. Dan Smith, who has received from you over a period of seven years £155,000, you are saying that until now you had forgotten that on two occasions you had paid for him and his entire family to go holidays in Greece? A. I wasn't aware of this, sir.
2734. Q. No; well, we can look at that in due course ---
- MR. SAFFMAN: Sir, with respect; the witness says that he was never aware that Mr. Dan Smith had gone to Greece on holiday; he thought he had gone on business with a Mr. Tetlow, one of Mr. Poulson's employees. It is not that he has forgotten about holidays. He just says that he never knew of them; he thought they were business trips.
- MR. HUNTER: I would remind my learned friend and Mr. Poulson, I never put a question without the documents. We will return to that unless Mr. Poulson chooses to remember first.
2735. Q. Now, another undertaking you gave -- Perhaps before we leave that undertaking, may the Trustee now feel assured that there are no further documents which you have lying about somewhere? A. Very definitely, sir.
2736. Q. Well now, we have done our best in the short time at our disposal to examine these files. We do not find any files relating to the company known in this case as I.T.C.S., but did you not have any files relating to that company?

- A. I don't know, sir.
2737. Q. Pardon? A. I don't know. I am surprised at this, but --
2738. Q. Well, you remember I.T.C.S., do you not? A. Yes, but I thought you referred to them in previous ---
2739. Q. No. We have had a file of your correspondence with Mr. Maudling? A. Ah; that's the only one, then, without doubt.
2740. Q. No other correspondence with all these gentlemen with strange names in Abu Dhabi, or Dubai, or places like that? A. No, sir. I was only the consultant architect, after all. They didn't communicate direct with me.
2741. Q. So we may feel now that we have got to the bottom of the barrel? Well then, another important undertaking you gave -- Am I right in thinking that a few moments ago you said there were other files which were not relevant? A. No, no, I didn't, sir.
2742. Q. We have got them all, have we? A. No, I have got no more.
2743. Q. Another important --- A. The reason for you not getting those files that you have just had this last two months ---
2744. Q. Another important undertaking you gave was to produce, firstly, a list of consultants. I am going to show you this.
- MR. HUNTER: Sir, I believe that your office contains a photographic machine. I wonder whether the Court would allow me, on payment of the usual charges, to have this photographed? It is one of the things we did not get done.
- THE REGISTRAR: Yes, certainly.
- MR. HUNTER: I am going to show it to the witness.
- THE DEBTOR: I have got a copy, sir.
2745. MR. HUNTER: Have you got a list of the consultants? A. Yes.
- MR. HUNTER: Well, sir, I will show this to Mr. Poulson if the Court will not mind my endorsements on it.
2746. Q. Is that the one? A. Yes.
2747. Q. Without the pencilled alterations? A. Yes.
- MR. HUNTER: That will in due course be marked "J.G.L.P." with the appropriate number.
- The witness produces and identifies a document entitled "List of Consultants". Some names are omitted which have already been referred to in the Public Examination. There then appears a list of names with, alongside them, the initials of the companies to whom they were consultants.
2748. Q. Is that right? A. Correct, sir.

2749. Q. In a letter from your solicitor dated 23rd September, you have made certain alterations which I would ask you to confirm. A. I do, sir.
2750. Q. The third item is Mr. Pottinger, a consultant to J.G.L.P, who you now say should not have been included. Is that right? A. That was definitely an error.
2751. Q. And then there are some other companies added alongside. And then the fourth from the bottom, Mr. G. Tunbridge, is described now as "a consultant/estate surveyor"? A. Yes, sir.
2752. Q. Now, there is, I think, a misprint. The fifth name should be Viner Brady, should it not? A. Yes.
2753. Q. He was the railway expert, was he not? A. Correct, sir.
2754. Q. For the Mossamedes harbour? A. Yes - for the railway to it.
2755. Q. Now, this document, unlike every other document in which the word "consultants" has been used, does not have "consultants" in inverted commas. Can you tell us now that we are face to face with the question of consultants, what you and your staff - or your staff - meant when they put "consultants" in inverted commas, as they always do ---
- MR. SAFFMAN: Sir, before that question is answered, may I say that this was a list which was typed in my office, and I must accept responsibility whether or not there are inverted commas.
- MR. HUNTER: That is not a proper intervention.
2756. Q. It is right, is it not, that whenever we have seen the word "consultants" in this case it has always been in inverted commas? A. You say so, sir. I didn't know.
2757. Q. Well, now they do not have inverted commas, so I would like you now to define what you mean by "a consultant"? A. Well, as far as -- I can only refer to the ones that are J.G.L.P, which are 1, 2, 3, 4, 5 on this list.
2758. Q. What do you mean you can only refer to those? A. Well, I mean I can't take responsibility for some of them. I never even met the C.P. ones.
2759. Q. But what are they doing on this list if you know nothing about them? A. Because they were paid through Ropergate Services, sir.
2760. Q. So we will draw up two categories, shall we? The first ones are consultants, with or without inverted commas, for whom you were directly responsible? A. Yes.

2761. Q. Well now, tell me what you mean in that context by "a consultant"? A. Well, in the main, these were for people connected with overseas work, and they were able to assist me in not wasting time when I wasn't there, meeting the right people.
2762. Q. Touting for work? A. No, sir.
2763. Q. J.G.L.P. itself did not do overseas work, did it? A. Yes, sir.
2764. Q. It did not get contracts? A. Yes, sir.
2765. Q. That was done, was it not, by the overseas companies? A. No, sir. J.G.L.P. got all the overseas work.
2766. Q. I beg your pardon? A. J.G.L.P. got all the overseas work with the exception of Mossamedes Harbour.
2767. Q. Well, what about Construction Promotions? A. Construction Promotion was Mossamedes Harbour.
2768. Q. And that alone? A. And that alone.
2769. Q. And then I.T.C.S.? A. I.T.C.S. got the four jobs in the state of Abu Dhabi.
2770. Q. Why alongside Mr. McCrae, who is a prominent citizen of Liberia, do we find I.T.C.S. Did they work in Liberia? A. No, sir. They worked -- Mr. Maudling went there for a visit of two days - that is why that is the only reference to I.T.C.S. here - in connection with trying to bring what had been going on before to fruition.
2771. Q. Well then, turning to your definition of "consultant", you mean a person who could introduce you to the right chap? A. No, sir. It isn't a case of introduction as far as the getting of the work; it was the introduction to the people to make sure that the work went on, and in the case of I.T.C.S. it was ---
2772. Q. I am talking about your own affair. You said, did you not, a moment ago that a consultant was a person whom you had there to ensure that you did not waste time when you went out? A. That is one of them. I was mentioning, or you were mentioning, McCrae in the case of I.T.C.S.
2773. Q. The Honourable Mr. McCrae of the Liberian Government was a person who what - he jollied on the labourers? A. No, sir. He is an Englishman; he is not a Liberian.
2774. Q. I see; a lot of them have names like that. So he was an Englishman in --- A. If my memory serves me right, he was the Financial Adviser to the President.



2775. Q. And so he was in a position to put contracts in your way?

A. No, sir. It was a case that here he was in a position to deal - I was able to deal directly with the President, in his presence, in connection with the project of a harbour at Cape Palmas.

2776. Q. Therefore, Mr. McCrae was a Liberian civil servant?

A. I wouldn't know, sir; I couldn't tell you.

2777. Q. Well, if he was the Financial Adviser to the President and he was not a Liberian civil servant, what would he be?

An independent contractor? A. He is not a contractor, sir.

2778. Q. In this country, Mr. Poulson, the people whom you call consultants are all found to be on a salaried basis, are they not? Take Mr. Merritt, the fifth down? A. Oh, yes, sir.

2779. Q. Right. Mr. Cunningham, as you now know; Mr. Alderman Hadwin, as you now know; Mr. Bob Irwin, as you now know, and Mrs. Cheeseman, as you now know, were all on a salary. Now, if that is what you mean by "a consultant", were you paying Mr. McCrae a salary? A. I don't know, sir.

2780. Q. Was anybody paying Mr. McCrae a salary? A. C.P. must have been.

2781. Q. What for? A. Well, originally, C.P. met him and he introduced the Cape Palmas Harbour, and then J.G.L. Poulson Associates took it over as they were the technical ---

2781. Q. So you paid him, a Liberian officer, a sum of money for getting you a contract ---

MR. SAFFMAN: Sir, it has not yet been established that Mr. McCrae was a Liberian officer.

MR. HUNTER: He was Financial Adviser to the President. Perhaps Mr. Poulson ---

THE DEBTOR: I think he was. I don't know what ---

MR. SAFFMAN: Sir, there are financial advisers to presidents in many countries who are not civil servants. My learned friend is assuming the position obtained in Liberia ---

MR. HUNTER: We have got the file, Mr. Saffman.

MR. SAFFMAN: As I was about to say, sir, if it can be established, then so be it, but at the moment it is nothing more than an assumption which the debtor is being asked to accept.

THE REGISTRAR: Well, if there is a file available, questions could be asked on that.



2782. MR. HUNTER: How well did you know Mr. McCrae? A. I suppose I met him four times.
2783. Q. When did you start calling him by his christian name? I have in front of me a letter dated 8th March, 1967, in a file you have just produced called "Cape Palmas Harbour and The Honourable J. G. McCrae". He must be the son, presumably, of a baron or an earl? A. No, sir. I think he got that in Nigeria. He was for a long period before this appointment, until his retirement, the head of United Africa Company.
2784. Q. Well, you have written to him on the 8th March, 1967, at the Department of Commerce and Industry, Monrobia, Liberia, "Dear John"? A. Well, as you can see from that file, there is an awful lot of letters, but, as I say, I only saw him probably four times. I didn't pay more than four visits to Liberia.
2785. Q. Could you see the President without the intervention of Mr. McCrae? A. Yes, sir.
2786. Q. Why did you pay him money then? A. Well, I suppose it had been started that way after we got the appointment.
2787. Q. Why did you pay him money? A. I'm afraid that is the only answer I can give, sir.
2788. Q. You paid him money to get the contract? A. No, sir.
2789. Q. To get the ear of the President, did you not? A. No. We had only the chance of getting a contract, that's all.
2790. Q. You bought the chance, yes. You bought the chance of getting a contract, and how much did it cost you? A. This is not J.G.L. Poulson. This is the C.P., sir, which was doing this, not me.
2791. Q. This is a letter written by yourself -- A. Yes, towards the end, it was, but the job had been obtained by then.
2792. Q. You mean I.T.C.S. had nobbled Mr. McCrae, and you carried on with it? A. No, sir. I.T.C.S. had not even been thought of when the whole of this work had been done.
2793. Q. Well, who had nobbled Mr. McCrae? A. Nobody had nobbled as far as I am aware, but as far as I am concerned C.P. found Mr. McCrae and found this work in Liberia.
2794. Q. Construction Promotions, a company of which Sir Bernard Kenyon - was he the Chairman? A. Yes, sir.
2795. Q. And then Mr. Maudling? A. He was for a short period.
2796. Q. And somebody in your organisation paid the Financial Adviser

- to the President of Liberia a sum to get the President's ear; is that the situation? A. I can't answer for what C.P. did, sir.
2797. Q. But it was a company incorporated by yourself in which your wife held 85 per cent. of the shares. We went into this, do you remember, the last time? Who was the boss?  
A. Well, it certainly wasn't me. If you met those people you would soon know. It is C.P. I am talking about.
2798. Q. Who decided to pay a sum to a government officer in Liberia to get a contract? Who actually decided? A. I can't tell you that, sir, because I don't know.
2799. Q. Who got the money out of you to pay for it with? A. Construction Promotion.
2800. Q. And who was Construction Promotion? A. Not me, sir.
2801. Q. What person ran it? A. Pollard.
2802. Q. Pollard, yes. Who are these other directors? A. Sir Bernard and Sir Herbert Butcher originally - I don't know whether he was on at the time - and Mr. Marr.
2803. Q. And Mr. -- ? A. Marr, the solicitor.
2804. Q. I do not want to take up too much time on this; I am just establishing, you see, what a consultant is. A consultant is a person who is paid a sum of money to get a contract with or without your knowledge from which your organisation then profits? A. Actually, it wasn't. My organisation wouldn't have profited because it wasn't an architectural job, sir.
2805. Q. Why did you go out to Liberia and have chats with Mr. McCrae as shown by the file? A. I went out as the consultant to J.G.L. Poulson Associates, the civil engineers who had done the design. I understood that they were also interested in some housing at the base of the President's palace.
2806. Q. Would you look at this document? That is a photographic copy, is it not, of a letter from Mr. McCrae to the President of Liberia, copy to you ---  
MR. SAFFMAN: May I ask the date of that letter?
2807. MR. HUNTER: Give the date of the letter, would you, Mr. Poulson? A. 1st June, 1969. This was after he had retired, I believe.
2808. Q. Are you sure that Mr. McCrae is an Englishman? Have you read the letter? A. Yes, sir.
2809. Q. Will you now look at this, which I think must be the covering

- at whose instigation, whether it was McCrae or somebody else's, he changed to come to London, and this was the information, that he was coming to London, and we ought to take the opportunity of seeing him because he was in London.
2822. Q. Did you in fact see him? A. Yes, sir.
2823. Q. With Mr. Maudling? A. No, separately.
2824. Q. Well now, when in the course of the last few weeks you were drawing up this list of people, what caused you to put Mr. McCrae on this list? A. Because, sir, I saw payments had been made to him.
2825. Q. Well now, where did you find those payments? A. In the cash book.
2826. Q. Your cash book? A. Yes, sir.
2827. Q. Well now, if there were payments made, they would appear, would they, on the big list - it has not got a name - which you have produced in accordance with your next undertaking? A. No, not the amount, sir. We were only asked to give a list. The details of the payments are not included as far as consultants are concerned. We were instructed by Mr. Saffman not to.
2828. Q. Mr. Saffman told you not to say how much the consultants had been paid? A. No; we had only to show the consultants, sir, name them.
- MR. SAFFMAN: Sir, with the greatest respect, undertakings were given to supply a list of consultants and undertakings were given to supply details of gifts. If Mr. Poulson had been asked to give an undertaking to supply a list of consultants and details of amounts paid to them, he would have done so.
- MR. HUNTER: My friend should address his complaints not to me but to his own client.
2829. Q. You said, did you not, that Mr. Saffman told you not to give the amounts paid to the consultants? A. No, sir; I carried out what he asked me to do, namely only the names of the consultants.
2830. Q. How much did Mr. McCrae get? A. I have no idea, sir.
2831. Q. Well, you found them in the cash book? A. Well, I cannot remember these things, sir.
2832. Q. Roughly. A hundred pounds? A. I have not any idea, sir.
2833. Q. But he was paid? A. Obviously, otherwise he would not be on that list.
2834. Q. If he was paid out of your cash book, that is out of your

- money, is it not? A. But, sir, if you saw those books you would ---
2835. Q. It was paid out of your --- A. It should have been out of Ropergate Services to C.P. That is what it should have been.
2836. Q. But he was paid out of your money? A. But I wasn't aware until I saw it in that cash book.
2837. Q. Who paid him, then? Somebody must have drawn a cheque to The Honourable J. G. McCrae, or cash? A. Yes, sir, but I didn't realise it was J.G.L.P. cash book; I thought they should have been through Ropergate Services to C.P.
2838. Q. Was this a percentage? A. No, sir.
2839. Q. It was an enormous contract, Cape Palmas, was it not? A. No. It is only a very small little place; it is only like a village, sir. It was more sentiment than anything else. It is where the President was born and lived, and he wanted to make a harbour. Really, I couldn't ever see the justification for it myself, and that's why it never could go on.
2840. Q. Why did you have to pay Mr. McCrae to persuade the President to let you build a harbour at his birth-place? It seems odd, does it not? A. I didn't have to do that, sir.
2841. Q. And you have no idea how much you paid him? A. No, sir.
2842. Q. Well now, if --- A. If I had been asked, as Mr. Saffman said, I would have got those figures, sir.
2843. Q. Well now, when you were preparing this list, you were preparing it in pursuance of an undertaking to the Court. A. Yes, sir.
2844. Q. And so no doubt you gave some time and thought to its preparation? A. Oh, we were there three days, sir.
2845. Q. Now, having regard to the affair of Pottinger, can you tell me how you got Pottinger's name on to this list? A. Sir, the only thing that we -- I don't know how it got on, but --
2846. Q. By "we" you mean you and Mr. Saffman? A. No - Miss McLeod. It was actually written by her, and somehow some of the papers got mixed - we suddenly found he was on this list, and we found it after Mr. Saffman had typed it.
2847. Q. Well now, Mr. Merritt appears on this list as a consultant. He, of course, was not abroad but at home. And what about the others? Just let me take another one --- A. Well, she was a consultant.
2848. Q. Well now, Mrs. Pollard. Mrs. Pollard was the wife of your



- colleague, Mr. Pollard? A. No colleague of mine, sir.
2849. Q. A person with whom you worked reluctantly side by side, did you not? A. Not side by side either.
2850. Q. And to whom you subsequently sold Construction Promotion? A. I didn't sell him anything, sir.
2851. Q. Well, your wife did? A. Two different things - very different.
2852. Q. Why is Mrs. Pollard put down as a consultant of Construction Promotions? A. Well, she is in the agreement - Pollard's agreement, sir.
2853. Q. What is she a consultant for? A. I don't know why she was put on, but the directors at that time agreed to do that and not me, sir.
2854. Q. Just another hand-out, is it? A. Look, as far as I am concerned it has nothing to do with me, sir. It was an agreement between the directors of C.P. and Pollard, and it is in his service agreement; I suppose it was incorporated.
2855. Q. You mean Mrs. Pollard is to be appointed a consultant for a certain sum of money for doing nothing? A. Well, I don't know what she does, sir; I've not had anything to do with the firm.
2856. Q. This came out of your money too, did it not? A. It should have gone out of Ropergate Services, which was fed by me.
2857. Q. But Ropergate Services was also your money? A. Yes, sir.
2858. Q. In fact, Ropergate Services was the bank for the whole of this enormous combine, was it not? A. It was the intermediary, sir, that financed C.P. in the first place, and we paid all its monies that it had loaned.
2859. Q. But it did not. A. Well, I always understood it did, sir; I was told by my accountant - and 7 per cent. interest.
2860. Q. You see, Mr. Poulson, we are faced here with gigantic disappearances of money on an unbelievable scale, and every time I ask you how the money got paid to Mr. McCrae or the Sultan of Morocco, or something, you say you do not know, somebody did it while you were not looking. Is that what you really mean to say? A. I didn't say anything of the sort, sir. I am telling you as far as Mrs. Pollard is concerned I am certain it was part of the agreement that the directors had with Pollard.
2861. Q. Let us look back at Mr. McCrae. Somebody paid a prominent Liberian personage money out of your bank account without your knowing? A. No, sir.

2862. Q. And I want to know who actually did it because we will get it back from him, you see. You had better say, Mr. Foulson.  
A. Well, I mean, the money wasn't done through me but by Ropergate Services, and I ---
2863. Q. Do you mean to say that when you were writing your "Dear John" letters to Mr. McCrae --- A. Which is right at the end.
2864. Q. You did not know that he had been paid out of your bank account? A. Not out of my personal, no, sir. I thought it would be done ---
2865. Q. You knew he had been paid out of somebody's bank account?  
A. I would have thought it would have been out of C.P.'s or Ropergate Services, yes.
2866. Q. All of which being your money, was it not? A. Not C.P., sir, no.
2867. Q. Ropergate Services was all your money? A. Well, I was a 99 per cent. shareholder.
2868. Q. And you were prepared to deal with a man, a person of some standing who had to be paid out of your money in order to enable you to see the President; is that right? A. Well, also he was being of great help in that he was advising the President that it was a sensible and economic thing to do in the President's state.
2869. Q. And you cannot remember how much it was? A. I can't, sir.
2870. Q. You cannot remember who drew the cheque? A. Of any of these sums of figures.
2871. Q. And you cannot remember who pressed the notes into Mr. McCrae's hand; you cannot remember anything of that? A. I don't suppose anybody did press any notes into his hand.
2872. Q. Well then, there must be a cheque in his favour? A. Well, there must have been a cheque because it was in my cash-book.
2873. Q. I see. A. There must have been a cheque, sir.
2874. Q. Well, I see here immediately below Mr. McCrae another distinguished gentleman, Mr. Bresne. Was Mr. Breene not a former member of Her Majesty's Foreign Service? A. Sir, I have never met the gentleman; I know nothing about him.
2875. Q. What is he down here for? A. He is down there as a C.P.
2876. Q. Where did you get this item from? A. From the books.
2877. Q. From the cash book? A. Yes.
2878. Q. Well, how much was Mr. Breene paid? A. I have no idea what any of these people have had, sir.
2879. Q. What was Mr. Breene being paid for? A. I have no idea. You must ask C.P.

2880. Q. Was he not to tout for contracts in Arabia? A. Not that I am aware of.
2881. Q. Well, what was it for then? A. I have no idea, sir. I have never met the gentleman or know anything about him or his activities.
2882. Q. Well, who authorised the payment? A. Mr. Pollard, I expect.
2883. Q. Out of your bank account? A. To Ropergate Services.
2884. Q. Who had a drawing power at Ropergate Services? A. I may have signed the cheques, but ---
2885. Q. You signed the cheques for any sum that anyone chose to put in front of you? A. Well, as far as Breene is concerned, I know nothing about him, sir.
2886. Q. I am reminded by my friend, the Official Receiver, that you have actually got the Breene payments here after all. Item B.3 on the Official Receiver's schedule; Mr. Breene got a lot of money. Well, Mr. Breene was on the payroll? A. Well, I didn't know.
2887. Q. Mr. Breene started getting £250 a month, no less, from the 26th November, 1965, and he went on getting that down to the 25th November, 1966, a total of £1,250; and you have absolutely no idea what that was for? A. Not any conception, sir.
2888. Q. Well now, what about Mr. Lowenthal - W. Lowenthal? He is on this list, is he not? A. Yes, sir.
2889. Q. Do you know anything about Mr. Lowenthal? A. Only this, that I paid Mr. Pollard a cheque personally because Mr. Pollard had paid him something, and that is why C.P. is shown there, and then I understood that he later did something with I.T.C.S. for the German Government.
2890. Q. What was Mr. Lowenthal being paid for? A. I haven't any idea, sir. I can't tell you any job, or any connection with him.
2891. Q. Did you not ask? A. No, sir.
2892. Q. You know the Ibadan market development in Liberia? A. Yes.
2893. Q. Was that not done by one of your companies? A. No, we haven't ever done anything, sir, there. I knew there was a development there but it never went on, and we never did any plans.
2894. Q. Was not I.T.C.S. involved in that? A. Latterly; not in the first place, no, sir - C.P. It was before I.T.C.S. started.

2895. Q. So it was Construction Promotions? A. In the first place.
2896. Q. And Mr. Pollard told you he had paid Lowenthal some sum of money, and did he say what it was for? A. No, sir.
2897. Q. Did you ask him? A. He told me he had paid it out of his own private account.
2898. Q. Did you ask him what it was for? A. I can't remember at the time, sir.
2899. Q. How much was it? A. I have no idea, sir.
2900. Q. A large sum? A. I wouldn't know.
2901. Q. Several thousands of pounds, was it not? A. I shouldn't think so.
2902. Q. And did you know at the time what was afoot? A. What was afoot? I don't know what you are referring to, sir.
2903. Q. Well, I mean, if Mr. Pollard would not tell you what it was for, why should you refund it? A. Well, because he told me he had paid it out of his own private account, I remember this distinctly - just that part of it.
2904. Q. Why should you refund it? A. Am I correct in thinking it was a refund?
2905. Q. You have met Lowenthal? A. Not that I am aware of. I have met hundreds of people in my time, sir, but I can't remember the odd ones.
2906. Q. You know we have got it all here. A. Yes.
2907. Q. In fact, this is one of the things that has just been produced after being thoroughly perused by your solicitor. I look at random at a letter dated 16th January, 1967, taken out of the Blundell Baker I.T.C.S. Ltd, "Market Hall, Ibadan. "Dear Mr. Marr" - that is one of your solicitors - "Just to inform you that Mr. Poulson met Mr. Lowenthal at the Dorchester yesterday. Now going to check up what was said when he is in Lagos this next week". So you made a check? A. I don't remember it at all, sir, and if he walked in here now I would not know him.
2908. Q. Do you mean although your secretary, your invaluable Miss McLeod, says that you met Mr. Lowenthal, you do not believe it? A. Oh, no, sir. I accept that it must have been, but I can't remember it, or I couldn't remember him if he walked in this room now - I wouldn't recognize him. We certainly didn't do anything, anyhow.
2909. Q. Do you remember the market hall plans? A. I remember the market hall plans, but they were not plans prepared by me or by my firm.



2910. Q. What did you go to check up on him in Lagos? A. As I was going out to the law school - that is what I would be going for, it would not be for this - I checked up to see if there was such -- these plans that I had been given, and there was such a development, and whether it was going to go on, and I found it was not.
2911. Q. Well then, why should Mr. Lowenthal be paid anything? A. I don't know, sir.
2912. Q. Why did you refund it? Were you told that Mr. Pollard had paid Mr. Lowenthal for the contract? A. No, not for the contract. I didn't know what it was for.
2913. Q. Did you know at the time that Mr. Lowenthal was an undischarged bankrupt from a very large scale English bankruptcy? A. I didn't know until you are telling me now, sir.
2914. Q. You did not know that? A. No, sir.
2915. Q. Concerning the banking firm of Richardson and Co? A. No, I have never heard of it, sir, and I am absolutely astounded, and I am amazed at Mr. Marr ---
2916. Q. Well, just tell me again. I just do not understand how this list got prepared. Is there some master list somewhere? A. It was only taken out of the cash-book, sir.
2917. Q. Well then, in the cash book there are payments to Mr. Lowenthal which you cannot remember? A. I just can't, no, sir. It is probably only one; I don't know whether it is one or two.
2918. Q. Well now, whatever it is, Mr. Lowenthal is really a kind of McCrae, is he not? He is a person who seems to have been paid something for a favour? A. Well, he wasn't certainly paid for a favour, sir, because we didn't do anything. I went and investigated and found it was, in my opinion, not ---
2919. Q. I will re-phrase that question. Mr. Pollard was repaid by you for a sum that Mr. Pollard said he had had to pay to get a favour out of Mr. Lowenthal? A. That is what it would appear, sir.
2920. Q. Yes. So unless Pollard was telling a lie, he did get a favour out of Lowenthal? A. Well, he didn't get a favour because it wasn't worth anything.
2921. Q. Well now, I see on the list another well-known undischarged bankrupt, Mr. Tonsman. What do you know about him? A. No idea, sir. I don't know anything about him.
2922. Q. Tonsman. A. I am amazed at these. I mean, you notice they are all C.P., that's why, don't you.

Sales

2923. Q. Well now, you have got Mr. Sales on this list? A. That is right.
2924. Q. Now, Mr. Sales was a serving officer of the National Coal Board, was he not? A. No, sir. The reason he is on this list, as you rightly know, is because he was Chairman of O.S.B.
2925. Q. If he was the Chairman of O.S.B. he could not be a consultant, could he? You cannot have it both ways, Mr. Poulson.  
A. That's the only reason he is put on this list, sir.
2926. Q. He is on this list because he got a great set of hand-outs from you, did he not, contributing towards the price of a house and bought from the National Coal Board with your money while he was a serving officer. Is that not a fact?  
A. After he had resigned.
2927. Q. With money provided by you. A. After he had resigned from the Coal Board, and I saw the letter.
2928. Q. And you provided the money to buy his house? A. Part of it, sir.
2929. Q. You provided the deposit, you provided the sum required to complete the sum payable subject to mortgage, and you then paid off all the mortgage, did you not, by payments to the Wakefield Building Society? A. Correct, sir, but it was on the grounds that it was a loan until such times as he took over O.S.B.
2930. Q. In what capacity, then, does Mr. Sales appear on this list as a consultant? A. For that reason.
2931. Q. Well, look; either Mr. Sales is an officer of your company or he is a man who has borrowed money from you, but neither of those makes him a consultant? A. I quite agree, he should not be on this list.
2932. Q. He should not be on here at all? A. No, sir.
2933. Q. So he is another Pottinger, is he? A. As I said, it was a loan.
2934. Q. And he was in the National Coal Board, and you built houses for them? A. But the distinction you are making, of course, that is why I was not ---
2935. Q. And you built houses for the National Coal Board? A. No, sir.
2936. Q. Did you not? A. No.
2937. Q. Of course, I am corrected, you designed the National Coal Board offices at Doncaster? A. Yes.

2938. Q. So we eliminate Mr. Sales. Now, this list, then, comprises the following. It starts off with a well-known M.P. who was influential with the Portuguese Government? A. No, sir; he was Liberian.
2939. Q. I beg your pardon; of course, my mistake. Then we have an officer of the National Coal Board who is to be eliminated; an officer of the Scottish Office who is to be eliminated. We still keep Mr. Merritt, an officer of the National Health Service? A. What about Blackburn?
2940. Q. Blackburn? I do not really know a great deal about Mr. Blackburn. Tell me about him? A. Well, he was employed by J.G.L. Poulson Associates, that is all I know.
2941. Q. Well, if he was an employee he could not be a consultant. A. Well, he wasn't there full-time; I mean he was an outsider. He has qualifications in civil engineering or mechanical. I am not sure of his qualifications.
2942. Q. Mr. Viner Brady who was a well-known elderly railway engineer? A. Well, he was employed, as you rightly said earlier, on that railway between the iron ore mines and the port of Mossamedes.
2943. Q. What was he paid for? A. They were finding that the railway which had been built at the beginning of the century was not able to take the increased loads which would now be able to be shipped as a result of building this harbour, and the serious part was an area where the escarpment which is about 40 miles inland ---
2944. Q. I do not want a lot of geographical detail, I just want to know what Mr. Viner Brady was to do? A. He was the consultant on the provision of a new railway, sir, from the mines to the port.
2945. Q. So he is a real man who does real work? A. Yes, sir.
2946. Q. Then Mr. Shea, another prominent member of the National Health Service? A. After he retired, as you are well aware, I was asked to take him on.
2947. Q. And then Mr. Jeffrey, who was a prominent member of the Ministry of Transport National Trunk Roads Division, was he not? A. No, sir, not when he was with me.
2948. Q. He entered into a contract with you, did he not, for part time services with you while he was still employed by the Ministry of Transport? A. No, sir.
2948. Q. We have a contract to prove it, Mr. Poulson. A. Well, I am very sorry. I am unaware of it. I understood at the time when he left, because he was only part-time services, he was

retired in Wiltshire.

2949. Q. I will return to that. Mr. Chapman is some doctor in Tenerife, is he? A. He is a Doctor of Civil Engineering, sir.
2950. Q. In Tenerife? A. He was, but he is now a professor in Brisbane University.
2951. Q. What did you pay him for? A. For services connected with the Mossamedes Harbour and for work in connection with the Tenerife Hospital. First of all, it would be in geology he was sent there - oh, he is a geologist.
2952. Q. I am passing over the ones I am not interested in. Then we come to Mr. McCrae of Liberia; Mr. Breene who did something for you in Arabia; Mrs. Follard who did nothing at all; Mr. Lowenthal who did nothing at all. What about Mr. Audifferen; what did he do? A. Well, as far as I am concerned, very little, sir; he did nothing.
2953. Q. How much was he paid? A. I have no idea.
2954. Q. Was he a Nigerian expert? A. No. The position here was this, that after we got the law school there was also part of a city centre development. The war started, and C.P. thought they had a -- it was originally C.P. Africa, and then it was transferred to I.T.C.S.
2955. Q. Was he employed by you? A. Ropergate Services in the first place.
2956. Q. He was employed, was he? A. Yes, sir.
2957. Q. Well, then, why is he described as a consultant? A. Well, I quite agree, he shouldn't have been; he was employed. And then he was employed latterly by I.T.C.S.
2958. Q. In your solicitor's letter of the 23rd September you ask that the Audifferen entry be added to by putting alongside it "I.T.C.S."? A. That is right. I said latterly by I.T.C.S. he was employed.
2959. Q. Then we come to Mr. Tunbridge who received a lot of money, and he is described in the same letter as a consultant estate surveyor? A. Yes, sir.
2960. Q. What did he do? A. Well, he was one of the most useful men I ever met in that he taught me how to assess and prepare statements at the beginning of the time when central area developments were done, and we were able in a very accountancy fashion as a result of this to prepare the full expenditure and income of the whole of the central area development, and, therefore, explain to people whether the project was viable or otherwise.



2961. Q. Did he have a contract with you? A. No, sir.
2962. Q. In what circumstances did he come to be paid, therefore?  
A. It was an agreed sum for a period that he felt was necessary, until he felt he knew all the answers.
2962. Q. Do you mean he came and worked in your office? A. No, sir. I met him when I was in London.
2963. Q. And how much were you to pay him? A. I think it was a hundred pounds a month.
2964. Q. For teaching you your job? A. Well, not my job, sir. After all, it was an estate surveyor's. This was an added service, that we were able, as a result of him, to give.
2965. Q. When did you first come across him? A. Oh, 1948.
2966. Q. But he was definitely a real consultant? A. Oh, yes, sir.
2968. Q. Doing real things? A. Dealing in real things.
2969. Q. Why then -- would you take the list of donations and gifts?  
A. Yes, I know he is in that list, and he should not have been. It is a duplication.
2970. Q. Just take the list. I am afraid I have not personally added it up, but it comes to a large sum of money, does it not, to Mr. Tunbridge? A. Yes, sir.
2971. Q. Which you have, in pursuance of your undertaking to the Court, presented as a donation or gift? A. This should have been taken out, sir.
2972. Q. Well, how did it get in? A. Well, we were not clear about this one, and ---
2973. Q. Just stop a moment. Do you mean you were not clear about Tunbridge? A. No, we were not clear as to whether we should show the sums, and it shouldn't have been on this list of gifts, sir. That's what I mean.
2974. Q. You have been contradicted by your own solicitor who said you were not to give the amounts paid to consultants? A. I know, sir, but there have been inaccuracies as you have seen from this letter.
2975. Q. I see. So we have got to take all the Tunbridge's out of this --- A. Out of the gifts. He is a consultant. He must be one or the other, and he is so rightly a consultant, sir.
2976. Q. You mean there is a sort of half and half world where the man is not really a consultant and not really a recipient of your benefaction? You mean like Mr. McCrae? A. No; Tunbridge is totally different, sir. There is no question about whether he should be a consultant or not.

2977. Q. So this list has got to be re-worded, has it? Are there any other people on it who should not be here as recipients of donations? A. What, on the list of consultants, sir?
2978. Q. No, on the list of donations? A. Sorry, sir.
2979. Q. No? A. Just a minute. Could I go through them?
2980. Q. There is an awful lot of them, Mr. Poulson. A. Yes. Well, I did point ---
2981. Q. Not in your solicitor's corrective letter. A. There are one or two errors because I did find one the other day on the front page, on the first page, "Private cash-book list". That is the first item after the -- "C. D. Cook"; that should be £1,250, not £250.
2982. Q. Where is that? A. 24th January, 1968.
- MR. SAFFMAN: Can I refer my learned friend, sir, to my letter to his instructing solicitors of the 23rd September, in which I said, "On further perusal of the lists of consultants, donations and gifts, it has been realised that there are a number of mistakes and omissions, of which details are as follows: G. Tunbridge was a consultant .." ---
- MR. HUNTER: I know. I have put this on the record already, if my learned friend remembers.
- MR. SAFFMAN: So, sir, it should obviously have been taken off the list of gifts, and in no way is my client contradicting me. He told me there was a mistake and I notified the Trustee's solicitor. And, equally, the £250 to Cook should have read £1,250.
- MR. HUNTER: Very good.
2983. Q. I now return, if I may, to my question, which is; holding in your hand the list of donations and gifts produced in response to the Court's requirement that you should undertake to produce it, what else is wrong with it. We take off all the Tunbridges, do we? A. Yes, sir.
2984. Q. Is everybody else, then, a recipient of a gift or a donation? A. As far as I am aware, yes, sir.
2985. Q. What about Mr. Egan, the former Mayor of Pontefract? A. Yes, that is a gift, sir, as he has stated himself.
2986. Q. You mean all the Egan payments are all gifts? A. Well, he has stated this himself as well.
2987. Q. What? A. He stated that himself, didn't he?
2988. Q. I am asking you. A. Yes, they were, sir.
2989. Q. So when we find you slipping the Mayor or the former Mayor

- ten guineas or £15, or £100, or ten guineas, it is all gifts, is it; and, if so, what for? A. Sir, this man had a very rough time in health, and I had known him. And he was not the Mayor, as you say; he is the Mayor at present, and I didn't see any wrong in helping him; and he certainly couldn't help me, and didn't do.
2990. Q. You have talked to Egan about this, no doubt, have you?  
A. No, sir. I have only seen what has been written in the press, sir.
2991. Q. How do you know what Egan has told the Trustee? A. I don't know; I said "in the press".
2992. Q. All the Egans, then, are gifts, over a period of some six years, is it? A. I don't know. I don't know when it started.
2993. Q. Yes, he is still batting on; still batting on; yes, he is still playing; he is still in play on the 18th December, 1968, when he gets £30. Are you telling this Court that you paid a well-known local citizen a number of gifts of money over a period of eight years, and, if so, in what circumstances? Did he ask you? A. I can't remember how it started, sir, whether it was a request or whether it was ---
2994. Q. You mean it got kind of a habit? A. No, it didn't get a habit that he was asking. I mean, he seemed in such bad health as a result of his coal mining activities.
2995. Q. Well, I do not want to infringe on your charitable feelings, which I see extended to Mr. Braithwaite to the tune of £2,500?  
A. That was to his wife, sir.
2996. Q. But it is not shown to his wife? A. No, I know it isn't, but it was.
2997. Q. And all these Vanderpumps, that is your wife's family, is it?  
A. Yes, sir.
2998. Q. A thousand pounds to Mr. Marr. That was a jolly good donation, was it not, to a solicitor? A. It certainly was, sir.
2999. Q. What was that for? A. I haven't the foggiest idea; you had better ask him. I don't know whether it was a gift or whether it was for services rendered, but I was asked to make a cheque out to him. I remember that distinctly.
3000. Q. Who was the money for? A. I don't know whether it was for Blundell Baker or for him.
3001. Q. But he was Blundell Baker, was he not? A. He was one of the partners, yes.

Sales \*

3002. Q. The senior partner? A. No, he wasn't at that time, sir.

3003. Q. You mean, looking at the list you have just drawn up of gifts and donations, you see the item 29th May, 1963, "W. F. Marr" --  
A. That is correct.

3004. Q. "One thousand pounds", and you have not the slightest idea what it was for? A. I have not. I can't remember as far back as that.

MR. HUNTER: I am sorry, sir, I thought you had received a copy of this. May I indicate very briefly ---

THE DEBTOR: I feel it was a gift and therefore I'd like you to get it back from him.

3005. MR. HUNTER: Oh, you would like us to get it back from him, would you? A. Yes.

3006. Q. Do you mean for a consideration that wholly failed? A. Well, no. I don't know that it was for anything. I mean, I didn't even say he was paid as a firm and I don't know what this was for. I can't understand why it was indirect.

3007. Q. But you must have made out a cheque? A. But, sir, I can't remember these things; I only wish I could.

3008. Q. Do you remember saying that Mr. Sales was not paid anything until after he retired? A. Yes, sir.

3009. Q. Look at page 2. A. Yes; I know what you are going to refer to now.

3010. Q. 14th May, 1963 - "Mr. Sales, £300"? A. Yes.

3011. Q. What was that for? A. I can't remember this, the details of it. The best thing is to ask him; I am sure he will tell you. But I have taken these out ---

3012. Q. You see, if we look at page 4, 11th September, 1964, you will be good enough to tell us that the Imperial Hotel, Torquay, account for £142.0.1d. should not be Mr. A. W. Merritt of the National Health Service, but Mr. F. Bailey, the Clerk to the Normanton Rural District Council. That is a correction your solicitor has made; is that correct? A. Yes, sir.

3013. Q. So that is another holiday that you provided for people in public service, is it not? A. This man was ill and asked me if I would loan him the money, and I understand he has repaid it.

3014. Q. How do you know it has been repaid? A. Because he told me himself.

3015. Q. How did he repay it? A. I have no idea, sir.

3016. Q. So you have asked him? A. No. He asked me what he had



- to do. He rang me up and reminded me; I had forgotten all about this, sir, and I didn't realise it until I saw it in the cash-book.
3017. Q. When did he speak to you about it? A. Last week.
3018. Q. Last week? A. That he had paid it, or was paying it.
3019. Q. He was paying it? A. Yes.
3020. Q. Not paid it yet? A. I don't know, sir.
3021. Q. Now, listen, Mr. Poulson, you are on oath. A. I was told he was paying it last week.
3022. Q. When your solicitor, then, on the 23rd September, 1972, said, "It is believed these loans have since been repaid", that was not accurate? A. No, sir. I understood they were.
3023. Q. It is the 25th today. He spoke to you last week and said he was going to repay? A. Pay that week - last week - yes, sir.
3024. Q. Well, it has not come to hand yet. But as far as you know, Mr. Bailey ought to repay? A. And, in fact, has offered to. It wasn't a case of being asked to.
3025. Q. Well, it is very good of him to offer, I am sure. And that would make £128.16.4d. for a stay at the Eastbourne Hotel, and £142.0.1d. to the Imperial Hotel, Torquay, both of which he recognizes from what he said to you as loans; is that right? A. Correct, sir.
3026. Q. Good, that is very nice. That increases our collections by £270. Well now, on this same list we find Mr. Hepworth. Now, we have asked you questions about Mr. Hepworth before, have we not, and you will recall that the learned Registrar in particular requested you to say who Mr. Hepworth was. We now know, do we not, Mr. Poulson, and you have remembered, that we are talking about Doctor Hepworth, the Mayor of Southport and a well-known bankrupt? A. I am sorry, I didn't know he was bankrupt. You have never mentioned that before that I know of.
3027. Q. You did not know he was a bankrupt? A. No, sir.
3028. Q. Is not that what you produced all the money for? A. No.
3029. Q. You said he was in financial difficulties? A. Yes, but that's not bankrupt. He was in financial difficulty because of the separation from his wife. And I didn't know he had been Mayor, either. He wasn't Mayor when I ---
3030. Q. What was he in a position to do for you in Southport? A. He was in no position to do for me anything. I had been appointed by a committee.

3031. Q. Were you doing the city centre at Southport? A. I was commissioned by Southport Corporation after they had seen 25 others or 26 others to do the city centre, which never went on.
3032. Q. And why did you subsequently pay Doctor Hepworth at least £7,000? A. I didn't realise it was as much as that until I saw these books.
3033. Q. Look, I really cannot understand, with the greatest respect, the nature of your answers. Here you go through the cash-books and you write down "J. Hepworth, 18th March, 1965, £500", and then the next month he gets another £500, and the next month he gets £250, and the next month £250. You must have known what you were paying him and what it was for? A. At that time I thought I was helping him because he told me that he was behind with his payments, or at least he was not receiving from the Ministry his -- they were behind with their allocation of fees to him, and also he was having divorce proceedings with his wife and his family, and the whole thing was breaking up and I am afraid I ---
3034. Q. This went on --- A. Until I stopped it.
3035. Q. Well, then, did you give him a banker's order? A. So you told me before.
3036. Q. Well, no, I did not tell you about Hepworth. A. Oh, sorry; I thought you must have done.
3037. Q. No. Dan Smith had a banker's order, if you remember? A. Certainly I didn't know anyway.
3038. Q. Do you mean to say this chap came around with his cap in his hand touching you for a sub every month? A. No, sir.
3039. Q. Well, what was the basis of the arrangement? A. There was no arrangement, sir.
3040. Q. Just plain generosity? A. Yes, sir.
3041. Q. To the tune of at least £7,000? A. But, of course, when it started I didn't realise it was going to be anything like this.
3042. Q. Well, what did he want the money for - to pay his wife? A. Well, no. He had left her, as I understood it, and he was setting up a flat and he was getting behind with his payments from the Ministry of Health - whether this was true - and now that you tell me he is a bankrupt, well, this is all news to me.
3043. Q. And this was a donation in each case? A. Oh, definitely -- No; a loan, not a donation. I never doubted I wouldn't get it back.

3044. Q. Look, this list is supposed to be a list of donations and gifts. A. But I have shown some of them, sir, as loans. I have mentioned them.
3045. Q. Well, are we then to read Hepworth as a loan throughout? A. Very definitely, sir.
3046. Q. I show the witness a promissory note dated 4th May, 1963, £1,000. (Handed to debtor). Well now, do you remember the transaction in which that promissory note was given? A. No, sir.
3047. Q. Well now, if we look at your list, you see, I myself cannot find a transaction dated 4th May in this list. So that is an additional thousand pounds? A. Well, I am very sorry. We religiously took these out of those cash-books - two of us.
3048. Q. How many promissory notes did you have? A. I didn't know we had even had this one, sir, until you informed us.
3049. Q. Did you ever recover this money? A. I'm afraid I haven't done on many occasions, sir. There is another one later on you will find I haven't.
3050. Q. You see, Mr. Poulson, you are under certain obligations to your creditors and to this Court, one of which is to make a Statement of Affairs in which you say what you are owed and what you owe. Now, if you are the holder of promissory notes which are still valid at law, then you are under an obligation to disclose them and produce them? A. Sir, I haven't any promissory notes and I haven't had this one.
3051. Q. This is from your solicitor's file. A. Yes. Well, probably the solicitor has it, but certainly not me, sir.
3052. Q. You know, Mr. Poulson, you will obviously say anything that comes into your head. I have here a letter dated --- A. But I haven't got a promissory note.
3053. Q. A letter dated 8th May, 1963, from yourself to Marr, Son and John: "Thank you for your letter of the 7th instant enclosing Doctor Hepworth's promissory note for the one thousand pounds". So you have got it? A. Well, I'm afraid I haven't, sir.
3054. Q. Do you remember what you did with it? A. No, sir; none whatever.
3055. Q. I will read on. It was forwarded under a letter dated 7th May, 1963, from Mr. Marr: "If it is not your intention to collect it" - "it" being the promissory note - "I think you should still retain it, but perhaps you will put it inside an

- envelope, seal it up and mark on it 'I agreed with Doctor Hepworth that I would never collect the money'", and in your letter of the 8th May you say that you have put it in an envelope, sealed it, and marked it, "I agreed with Doctor Hepworth I would never collect the money". I show the witness the three letters that I have quoted from. And now I ask you where the promissory note is? A. Well, I can tell you that I have no knowledge of it, sir, and, if I had, you would have had it.
3056. Q. You mean you do not remember this extraordinary transaction? A. No, sir; neither do I have any promissory notes - either this or any other.
3057. Q. Do you mean those letters are an invention? A. No, sir.
3058. Q. Right; we will now start from there. Where is the envelope referred to in your letter of the 8th May, 1963? A. I have no idea, sir.
3059. Q. You mean you have destroyed it? A. No, sir; I have not destroyed any papers.
3060. Q. This was the first transaction with Hepworth that we know about. Were there earlier ones? A. No, sir. If I had destroyed papers you wouldn't have had these.
3061. Q. You take credit, you mean, for not destroying any documents? A. I haven't destroyed any.
3062. Q. Well, then, what has happened to the letter -- A. I just have no idea, sir.
3063. Q. Do you have a safe deposit where you keep them? A. No, sir, I have no safe deposit. You can try every bank in Britain.
3064. Q. Well, then, when did Doctor Hepworth start having matrimonial troubles? A. Shortly after I met him, so I was told.
3065. Q. When was that? A. I can't recall, sir, except from these dates here.
3066. Q. How well do you have to know a man to pay him £7,000 on a loan that is not to be collected? A. Well, it didn't say a loan that hadn't to be collected, sir. It says one thousand pounds.
3067. Q. That is a thousand pounds. A. Yes.
3068. Q. The other loans you mean were to be collected? A. Well, as far as I'm concerned it was a loan.
3069. Q. They are still enforceable, are they not? A. Yes, sir.
3070. Q. Well, why did you not tell the Trustee about them? A. Because I had forgotten that he even existed. As you will recall, I didn't even recognize his name when you asked me about him



- at the first hearing and these figures were shown to me.
3071. Q. You mean you could not recall a man you paid £8,000 to over the course of six years? A. That is right, sir.
3072. Q. I suggest to you, Mr. Poulson, that that is not a truthful answer? A. That is a truthful answer, sir, whether you like it or not.
3073. Q. And there is something about the Hepworth affair which you wish to conceal? A. No, sir.
3074. Q. Now is your time to disclose it. A. No, sir, there is nothing to conceal and it is the truth.
3075. Q. I do not doubt, Mr. Poulson, that you have already been warned by your own extremely able solicitor, but are you aware that under s.22 of the Bankruptcy Act you are under an obligation, enforceable by committal for contempt, to make a full disclosure of your affairs? A. I have done to the best of my ability, sir, but after all ---
3076. Q. And that your Statement of Affairs is under oath and exposes you, if forced, to prosecution for perjury. Do you now wish to apply to amend your Statement of Affairs? A. Sir, I did this at the Official Receiver's office to the best of my knowledge and belief at the time, and things have come to light since which I had forgotten all about.
3077. Q. So when you were writing this down --- A. And I haven't done it deliberately at all, and as a result of the investigation -- After all, I have never seen any of the books until you gave me authority last time, and it was as a result of finding that that I bring these out.
3078. Q. The point is this. You wrote this down at a time when you were applying your mind to these undertakings to the Court, and you failed to --- A. But we never dealt with any of the books, sir in those investigations; I never saw any of the cash-books or anything, and all the figures in my narrative I was given.
3079. Q. On Day 2 at Q.1120 I asked : "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"? A. That was correct, sir.
3080. Q. You did not remember anybody of that name. Now, that I suggest to you was an untruthful answer? A. Well, I am sorry, but it was not.
3081. Q. When did you last have any communication with Mr. Hepworth -

- Doctor Hepworth? A. I have no idea, sir; years and years ago, it must be. Probably 1965 or 1964.
3082. Q. When did you last have any communication with him? A. I said it must have been 1964 or 1965, sir.
3083. Q. I have here a letter addressed in what appears to be Doctor Hepworth's handwriting to your solicitor dated 14th June, 1967. Had you instructed Mr. Marr to collect this money? A. Yes.
3084. Q. So you did try to collect it? A. Pardon?
3085. Q. You did try --- A. I tried to get it back.
3086. Q. You tried to collect it? A. Yes.
3087. Q. I thought you treated it as a donation? A. I mean, after all, it was a loan, I said, sir.
3088. Q. All of them were loans? A. No, only this one - well, this one and there is one other later on by some of my staff ---
3089. Q. Are all the payments to Hepworth loans? A. Yes, as far as I am concerned.
3090. Q. And so in 1967 we may take it that you were applying your mind to getting it back? A. It had been pointed out to me, obviously, that I ought to get it back.
3091. Q. We have a large file about this. Are you sure that you were not paying this Doctor Hepworth for his support? A. I had nothing to -- He couldn't give me any; I didn't need any, sir. I had already done the work.
3092. Q. I will read this letter: "Dear Mr. Marr" - 14th June, 1967 - "I regret the failure on my part to reply to your letters" - these were letters demanding payment, threatening proceedings - "but I have been under very great pressure to keep my head above water because of commitments I entered into in 1964, of which Mr. Poulson is well aware. Indeed, when I thought of making a complete break and leaving the country, he was most insistent that I should not do so". Do you remember that? A. No, I do not.
3093. Q. "This discussion took place at the Midland Hotel in Manchester. I remember the date well; I received a parking sign. At that time he was prepared to assist me to the full. I know this was three years ago, but the commitments remain; there is no assistance with them now". It goes on to say he is back in his surgery. "I am having a life and death struggle to raise £500 to avoid bankruptcy. I am certain that Mr. Poulson will be no more anxious to have my books examined than I am. In

fact, if this occurs - and many people who I antagonised because of my support of Mr. P. are very anxious to bring this about - then Mr. P. will suffer a great deal more than I will. I need his help, not a threat of legal proceedings". You may see a photographic copy of this letter. (Handed to debtor). Give me the date of that letter, if you please?

A. 14th June, 1967.

3094. Q. Was this letter not shown to you by Mr. Marr? A. Yes, sir.

3095. Q. So you remember it now? A. It must have been shown to me.

3096. Q. I have a letter showing that it was discussed with you.

A. Yes.

3097. Q. So you admit now to having seen it? A. I am quite sure Mr. Marr would. I cannot remember ---

3098. Q. I have a letter to prove that he did. A. I am quite sure he did.

3099. Q. On the 31st July, 1968, Mr. Marr wrote to you and said : "A little while ago Doctor Hepworth telephoned", etc. "He has been on the telephone this morning telling me that his financial position is such that he has been advised to file his petition and go bankrupt". Do you remember it now?

A. No, sir, not that one - not that particular letter.

3100. Q. There was a discussion about whether you would make a claim in his bankruptcy for the thousand pounds. Now, this was in 1968, only three years ago. Do you still wish to say that when you prepared your Statement of Affairs you had no recollection of this matter? A. I had overlooked it completely, sir, and I had forgotten he even existed, and when you confronted me with the name I did not honestly know it, sir.

3101. Q. To sum up, therefore, do you now say that every single payment shown in the list of donations and gifts as being made to J. Hepworth, or in one case to S. J. Hepworth, are in fact loans? A. Yes, sir.

3102. Q. And that there is one further loan of £1,000 in 1963 which does not appear here? A. Well, I didn't know. I mean, I don't know how that has been missed, but we missed it.

3103. Q. Did you get any other promissory notes? A. Not that I am aware of, sir.

3104. Q. Who is Mrs. Anson? A. She is the widow of an ex employee, sir.

3105. Q. Very good. A. Who I paid for a quarter after her bereavement, after her husband died.

Sales ~~A~~

3106. Q. Now, you see here on the last page -- no; on the page beginning the 13th July, 1966, the 5th item, 1st August, 1966, "Mr. Sales - £3,928.15.0d". Now, that is the payment for Mr. Sales' house, is it not? A. I should say so, yes.
3107. Q. And then on the last page of these entries there are a lot more payments to Mr. Sales. You say, "N.B. Payments shown on behalf of Sales" - the last page of the --- A. Yes; it is at the front of mine, sir.
3108. Q. Have you got "N.B."? A. Yes, sir.
3109. Q. "Payments shown on behalf of Sales were loans to be repaid either on the sale of his house or by director's fees for O.S.B." A. Correct, sir.
3110. Q. What does that mean? A. Well, why this was done, as I recall was that his wife had a large investment holding, but at that time the investments were low and she didn't wish to realize on them, and I told him I would loan him this money ---
3111. Q. You must keep your voice up. A. Sorry. I was so anxious to obtain his services after retirement for O.S.B.
3112. Q. So what? So you lent him the money? A. Yes, sir.
3113. Q. Indefinitely, until he should sell his house? A. Or I thought he would get paid -- All I was concerned with was getting him for O.S.B. and he would pay it off that way.
3114. Q. Right. The last of these payments - do you see when it was - the 28th October, 1969. That was at a time when --- A. Well, he was Managing Director then - he would be --
3115. Q. No, that is not the point. You went on dishing out the money to Mr. Sales right down to October, 1969, a time when you were desperate for money; could not pay your income-tax, threatened with bankruptcy; about to hand over your business to I.P.D. Why did you go on paying Mr. Sales, and what for? A. For the simple reason that Mr. Sales, as you know, from the minute I saw them - and I was very pleased to see them and have them available last time I was at the Official Receiver's office - I saw them in October - the 14th; I remembered the date distinctly from memory last week - and Mr. Sales made an assessment of the position of O.S.B. on October 14th, 1969, and said it was a viable proposition.
3116. Q. That is not the question I am asking you. Every single Sales item on this list, amounting to £5,128 at least, is stated to be a loan? A. Yes, sir.
3117. Q. So this has nothing to do with Mr. Sales talking to you about



Sales \*

viability or anything. It is a loan, is it not? A. Yes. But, I mean, what I am surprised at - the only reason I've mentioned that is that you were comparing it that I was in such straitened circumstances. I was certainly having difficulties, but at the same time I felt confident that even at that late stage I would still be all right.

3118. Q. You went on paying for an old National Coal Board employee's house, who was then a director of one of your companies, at a time when you could not pay your income tax, your rent, or your bills at the Dorchester? A. Sir, I am unfortunately mislead, but I've got the reply to that question. I think you ought to let me -- I'd love the opportunity again of having a look at the cash-books and taking out the amounts of what I paid in the year 1969. I can assure you that the whole of that was repaid in income tax. I have seen that myself.

3119. Q. At any rate, these payments were made either to Mr. Sales or to his building society to pay off his mortgage? A. Correct.

3120. Q. At a time when you were very pressed for money. Why did you do it? Had you contracted to? A. No, sir.

3121. Q. What were you currying favour with Mr. Sales for? A. Only that I thought it was a very good thing for the business that Mr. Sales was - (inaudible) - taken over the chairmanship of O.S.B. and - (inaudible) - and therefore we would benefit as architects because we were the consultants.

3122. Q. This means two things, does it not; firstly, that Mr. Sales ought not to appear on this list at all? A. Well, as loans. I said as loans.

3123. Q. And, secondly, you have again failed to comply with your duty to your Trustee to disclose the existence of recoverable loans from one of your debtors? A. Sir, I did not do it deliberately. I didn't even remember it. I mean, all this - I hadn't any books to go by, sir.

3124. Q. You did not remember you had been buying Mr. Sales' house for him? A. I hadn't remembered that I had -- this, sir -- at the time I was there, you ought to have seen me. I was even worse than that photograph in the ---

3125. Q. So when you sat down to prepare your Statement of Affairs, you did not really apply your mind at all to the book debts which you might have and which could be recovered? A. Sir, I haven't -- to this date, the main thing that hasn't been done is the work in progress figure.

3126. Q. I am not talking about that. I am talking about people who owe you money. A. Yes, I am as well, sir.
3127. Q. I mean, for example, we have suddenly discovered that the Pontefract Corporation owe you £6,417 --- A. You haven't, sir. You have not suddenly discovered that, sir. I acquainted that to the Public Trustee's solicitor months ago, and he rang up the Treasurer of Pontefract Corporation and I had a job to explain to him that he was a bona fide Mr. Simpson.
3128. Q. I beg your pardon, I was misinstructed; you are quite right. At any rate, the fact of the matter is --- A. I was surprised it hadn't been dealt with. That was my only point in raising it.
3129. Q. However, we shall have to consider what other debts are owed to you --- A. That's what I was getting worried about when I saw this.

(Luncheon adjournment).

3130. Q. Now, this morning, Mr. Poulson, we looked at a number of names on this list, from which it appeared, did it not, that there were several persons who were indebted to you, and are therefore indebted to your Trustee? A. Yes, sir.
3131. Q. One of them is Doctor Hepworth, and the other is Mr. Sales. Now, you have marked on here - the list of gifts and donations - a number of loans which you think may have been repaid. Is there any record of such repayments? A. No, sir. That's why the only thing we could do is suggest that the Public Trustee's solicitor get in touch with Moxon and Barker, who I believe made the necessary agreements at the time, and I don't know what has happened since December, 1969, of course. That's why I had to be careful.
3132. Q. Well, let me take one on page 5, the 22nd July, 1965. "Moxon and Barkers, re loan H. Woodruff - may have been paid back". A. Yes. Well, we have had to put this, sir, because we don't know; it might have been. And the same applies to one earlier on that page, No. 161, K. Robinson.
3133. Q. Well now, when you look at the cash-book, does it tell you what payments are loans? A. Some of them do, sir, and some of them don't.
3134. Q. Or is it just that you remember? A. No. Some of them actually specifically say so.
3135. Q. Well now, if, in fact, Moxon and Barker received £500 to lend

- to Mr. Woodruff, how would Mr. Woodruff have paid the sum back? A. I have no idea, sir, except by arrangement.---
3136. Q. Well then, would you not have been informed when you had been repaid? A. I certainly as an individual wasn't, no, sir, and neither did my secretary who did these accounts - statements - with me.
3137. Q. What would Moxon and Barker have done with the money if it was repaid to them? A. Well, I suppose they would have handed it over, but I wouldn't know if they had done it at the time - or they might have done it after 1st January, 1970.
3138. Q. Now, you have referred earlier on that page, No. 29, April, 1965, to a loan to a Mr. K. Robinson. A. Yes.
3139. Q. And we find a Mr. Robinson on the 13th November, 1967 - a Mr. K. W. Robinson "loan"; would they be the same Robinson? A. Just a minute, sir.
3140. Q. Item 10 on that page. A. Yes, that's the same thing. It says "paid back".
3141. Q. Well, there, in the first case you say "may have been paid back", and in the second case you say "paid back"? A. Well, we thought -- Well, these were taken out of the cash-book, sir, and we haven't checked it since.
3142. Q. Well then, may we take it in the case of Mr. K. W. Robinson that he may not have paid it back? A. Well, I don't know, sir. The only thing is that the best thing to do is, as I say, contact the solicitors who ---
3143. Q. Yes, but you are giving your account of your affairs, Mr. Poulson? A. But if you saw the ---
3144. Q. Why do you think they have been paid back? A. If you saw those books, sir, you would know why there is a confusion.
3145. Q. Why do you think that these sums have been repaid? Nobody else --- A. Well, they are members of the staff and they were loans made to them, and there is only one that is statute barred.
3146. Q. But, you see, nobody ever pays you back, Mr. Poulson, with your great big generous heart. You give people money either as donations or loans and you never recover it. We shall see some more instances of that. So what makes you think these people have paid you back? Instinct? A. No. My secretary and I both thought they would have been paid back before they left my employment, or afterwards.
3147. Q. Are you sure that Mr. Robinson is a member of your staff? A. He was.

3148. Q. Who is the person you are thinking of? A. I am thinking of Robinson who was later in World Wide.
3149. Q. I see; not another Mr. Robinson? A. No, sir. This is the Robinson here.
3150. Q. There is another member of your staff shown under 3rd June, 1966: "Moxon and Barker - loan for member of Poulson's staff - may have been paid back - £140". A. Which number is this, sir.
3151. Q. 3rd June, 1966, page 222. A. Oh, yes. Well, we didn't notice. It was just entered as that - "Moxon and Barker - loan to staff".
3152. Q. Loan to staff? A. Yes. That was in the cash-book, sir, in that form.
3153. Q. Well, then, on the next page, 16th August, 1966: "W.P. James - loan £750". A. Yes. Now then, this young man claimed statute barred when I went for it in 1969, but ---
3154. Q. No, wait a minute; that cannot be right. A. Well, it can't be, no, I quite agree, but that is what he did.
3155. Q. Who was Mr. James? A. He was the principal of the hospital division.
3156. Q. Do you mean a civil servant? A. No - on my staff.
3157. Q. I see; I am sorry. And when did you lend him the money? A. Well, I lent him the money according to this date, I suppose, sir.
3158. Q. Well, he could not have been statute barred in 1969. A. This is what his solicitor claimed when we put a claim in this year, or ---
3159. Q. This year? A. I think it was this year.
3160. Q. What - do you mean before the bankruptcy? A. I think it was before the bankruptcy, yes, sir.

MR. SAFFMAN: I may be able to be of assistance here, sir. If my learned friend is testing the debtor's credibility, then, of course, I will not interfere, but if he is seeking information the position is this, sir, that there is a file - one of the files which I have seen and handed over - in which Mr. Poulson has claimed repayment of a loan. Mr. James has alleged through his solicitor that it was not a loan but an increase in salary given after Mr. James had given his notice and whilst he was working out the period of his notice. I think that Mr. Poulson is confused in referring to it as being statute barred.

THE DEBTOR: I am sorry, sir.



MR. SAFFMAN: The file shows a claim and a reply from Mr. James that it was not a loan; it was an increase in salary.

MR. HUNTER: I am much obliged to my friend.

3161. Q. Mr. Poulson, you see what nonsense the intervention of your solicitor makes to the title of this list. This is supposed to be about gifts and donations, and here we find that it is all cluttered up with loans, irrecoverable loans, increases in salary. Do you think that is an adequate compliance with your duty to the Court? A. Sir, I took these all out and I thought I was giving you the information to the best of my ability I could do, and certainly I'd forgotten about this, and I certainly did not give him a rise after he'd given his notice. I've never heard ---

3162. Q. I am not concerned with the particular relationship between yourself and Mr. James; I am concerned with the accuracy of this list, which seems to me, with respect, to be wholly misleading. A. No, sir. There have been odd errors in it which I pointed out to Mr. Saffman earlier.

MR. SAFFMAN: Sir, I may again be able to be of assistance. I attended with Mr. Poulson and Mrs. Richmond - formerly Miss McLeod - at the offices of the Official Receiver when the cash-books were produced, and spent the whole of one day with them at the Official Receiver's office. The cash-books which had been kept by members of Mr. Poulson's staff were extracted and showed these entries as such. The books are in the possession of the Official Receiver. Where an item is shown as a loan, and whether it is a loan or not, the entry which has been made has been made in accordance with the cash-book. There is no attempt, sir, not to comply with the debtor's duty. The fact is that he is attempting to do it to the best of his ability, knowledge and belief, and as my learned friend said this morning, that he had no doubt that I had pointed out to my client the provisions of s.22 of the Bankruptcy Act, which, of course, provides for statements made under s.5 of the Perjury Act, 1911, the statement is that they are true to the best of his knowledge and belief.

I would ask the Court and my learned friend to bear one thing in mind, that this is a most unusual bankruptcy in one particular circumstance. It is not the case of a man who goes bankrupt and goes to see the Official Receiver or the Trustee in Bankruptcy immediately thereafter with his books

and records. This is a case of a man who is made bankrupt and files his petition three years after he has last seen his books and records and been allowed to be in control of his business, and who is therefore relying on his memory to a most enormous extent.

MR. HUNTER: I still want to know, sir, with the greatest respect, when the debtor produces a list of gifts and donations in response to an order of the Court, what he means by gifts and donations. It seems to me that a list containing repayable or unrepayable loans does not fall into that category. It takes a great deal of the time of the Court in extracting the material which it was the debtor's duty to sift out in the first place. However, I must pursue it since it represents vast sums of money.

3163. Q. I will now ask you to look, Mr. Poulson, at the 16th September, 1966. Do you see that? A. Yes, sir.

3164. Q. "Cash to Jeuzi, Beirut - £350". Would you tell me what kind of gift or donation that was? A. This was an Arab in Beirut, as it states here, who wanted to render me assistance and have me employ him as a civil engineer and consultant. I refused to do that.

3165. Q. You refused -- ? A. To do that.

3166. Q. You refused to employ him, do you mean? A. Yes.

3167. Q. Yes. A. But he made out that he had gone to certain expenses and he had married a Scotch girl. I am afraid that my wife, who visited them at their home, came back with a very miserable tale of the lack of furniture and the lack of comfort and conditions, and in the end I gave him this sum of money, although I was under no obligation to him.

3168. Q. What services did he claim to have rendered? A. He claimed that he had gone to certain expenses - had rendered certain expenses - but I'm quite sure he hadn't.

3169. Q. What nature of expenses and services? A. One, to come to England to see me to try and interest me, and his return fare; and one, he once made out that he was getting me, or I was getting, an hotel in Abu Dhabi, and I haven't to this day ---

3170. Q. In fact, he claimed that you should pay him for services rendered in obtaining you a contract? A. He did not, and I have never had that contract.

3171. Q. That is what he claimed. A. That is what he claimed.

3172. Q. Right; and that is quite in keeping, is it not, with the pattern of all the other overseas transactions to which you have so far deposed? A. No, sir.
3172. Q. It is only that Mr. Jeuzy was not telling the truth; is that right? A. Mr. Jeuzy certainly wasn't telling the truth.
3173. Q. You mean he had not produced a contract? A. He hadn't produced even an enquiry.
3174. Q. It was all made up by him - and you still gave him £350? A. That was because of the pitiful state in which his wife ---
3175. Q. What duty did you owe him? A. Nothing, except my wife and I felt so sorry for this Scotch girl.
3176. Q. You mean Mrs. Poulson actually went to Beirut to look at the house? A. No, she didn't go to Beirut just to look at -- She was there with me and she went to their home. I did never go to their home.
3177. Q. And this you count as a donation? A. Definitely. It couldn't be anything else.
3178. Q. Why could it not be anything else? A. Well, for the simple reason he had done nothing and I wouldn't have anything to do with him.
3179. Q. How did you know he had done nothing? A. Well, I'm quite sure he hadn't.
3180. Q. How do you know he had not gone and touted some sheikh for you? A. I should have known that.
3181. Q. But the Middle East was full of people who were touting for you, was it not? A. No, they were not.
3182. Q. I mean, we have had a lot of names of them already, have we not? A. No, sir.
3183. Q. Was it not your business to tout for work which could then be done by I.T.C.S.? A. No, sir, I didn't tout for I.T.C.S. Good heavens, that wasn't part of my ---
3184. Q. Well, what about Mr. Nasser, for example? A. He was employed by me in the first place, but then when I.T.C.S. was formed he went on to their staff.
3185. Q. And touted for you through them? A. Not me, sir. After all, I'd only got four jobs, and they ---
3186. Q. And Doctor Falik, he was another one? A. No, no. He was C.P., sir.
3187. Q. What? A. He was Construction Promotions, and he was based in Dusseldorf, if my memory serves me right.
3188. Q. So no touting in the Middle East at all? A. No, sir, or anywhere else.

3189. Q. What about Mr. Khouri? A. He was an employee, a site engineer, on the staff.
3190. Q. Well, we must accumulate our Arabs and come back to them. I see this list has revealed a yet further donation to that deserving girl Miss Mary Fenelon. You remember you told us about the carpet and the holiday? A. Yes.
3191. Q. What at the bottom of the page, 21st June, 1967, is "M. Fenelon, £97.12.7d."? A. I have no idea, sir.
3192. Q. Well, you remembered about Miss Fenelon's carpet and her holiday. A. Yes, I did.
3193. Q. Some other deserving service? A. No, sir.
3194. Q. You have never tried to recover these monies from Miss Fenelon, I suppose? A. No, sir. You would like me to, would you?
3195. Q. What? A. You would like me to?
3196. Q. Well, it is not your job, you know. A. Well, I mean, I thought you were suggesting it, that's all.
3197. Q. Well, I do not know. You see, you give money away to people when you cannot pay your income tax. At any rate, we do not, of course, know what Miss Fenelon is doing. C. A. Poulson; that presumably would be your brother, would it? A. Yes, sir.
3198. Q. He was employed by Barclay's Bank up until when? A. Two years ago, I think it is.
3199. Q. 1970. Why do we find payments to him? A. Well, some of them, I think, are just cashed cheques, but I put them in because I didn't know the answer to them and I hadn't approached him about them.
3200. Q. So 17th March, 1967 --- A. I didn't want to omit anything. I have put things in which probably shouldn't be in - I quite agree with that - but I wasn't going to be caught the other way, having missed them out.
3201. Q. I really do not know, Mr. Poulson, how to take that answer. You mean this is not a true list of -- A. Yes. There are some things that I cannot account for. There is one that I just do not understand, so I have put it in, sir (192), and I have put a question mark against it, or at least Mr. Saffman has at my instigation.
3202. Q. Do you say of the entries for C.A. Poulson, the well-known bank manager of Barclay's Bank, Horbury Branch, that he is a recipient of a donation from you, or not? A. Certainly one of these was a silver wedding present.
3203. Q. Well, there is £75.5.0d, there is £160. Is C.I. Poulson your wife? A. Yes, sir.



3203. Q. C. A. Poulson, £33. Well, what is the Trustee to make of this list? A. Well, this is taken from the cash-book of sums that have been either gifts or consultancy fees, and there is one here that I ---
3209. Q. Not consultancy fees - not according to your undertaking.
3210. Q. Well, I put Grimwood in -- Not Grimwood - Tunbridge in this list, unfortunately, and I transferred him. That's why I qualified my answer.
3211. Q. Are we to treat your brother as the recipient of a donation, in which case we will sue him for it - yes, or no? A. Well, I think he ought to be asked what they are, because they might be, some of them, a case of cashing me a cheque, that's why.
3212. Q. And you can think of no other categories? We have got donations; we have got loans; we have got consultants. A. The only one that I can't account for, sir - and I have put a question mark against it - is 192, and neither my secretary nor I can reconcile it at all.
3213. Q. Mr. Hogarth. A. Yes.
3214. Q. £4,000. A. We don't know what it is or anything about it.
3215. Q. Well, who was Mr. Hogarth? A. We've no idea, sir; that's the whole point.
3216. Q. I do not see the point myself. A. Well, we raised it, sir, because we just couldn't answer what it was connected with.
3217. Q. You mean the state of your books is such that a sum of £4,000 cannot be explained at all? A. We neither of us ---
3218. Q. Do you realise the consequences under the penal section of the Bankruptcy Acts of such an answer? A. Sir, my secretary and I just cannot understand it. That's why we have put a question mark and why we've pointed it out, sir.
3219. Q. Well, now you can tell me about Mr. Sam H. Chippindale to whom apparently you donated £500 on 2nd October, 1962? A. I've no idea what it was for, sir.
3220. Q. Oh, really! You spend your time, Mr. Poulson, running about the north of England finding city centres for Mr. Chippindale and you cannot remember what you paid him £500 for? A. No, sir.
3221. Q. Was that a donation? A. I've no idea, sir.
3222. Q. Was Mr. Chippindale hard up? A. I'm sure he wasn't.
3223. Q. He is a millionaire, is he not? A. Yes, I should imagine so.
3224. Q. Why should you give him £500? A. I have no idea. The only thing to do is to bring it to his notice and ask him, I

- suggest. I didn't even know until I saw it there. I was as surprised as you are.
3225. Q. You accept the payment was made? A. Well, it must have been. I took it out of the cash book. These are items I took out of the cash-book, sir.
3226. Q. I mean, did you give it to Mr. Chippindale to pass on to -- A. I couldn't even remember that we'd ever given him anything, sir.
3227. Q. I thought the money came the other way. A. Well, I would have thought so.
3228. Q. I mean, Mr. Chippindale paid you for finding city centres for him to build on, did he not? A. No. I was his architect.
3229. Q. That is what I mean. So you cannot remember this transaction? A. No, sir. I was very surprised and, therefore, I put it down because I couldn't explain it.
3230. Q. You fell out with Mr. Chippindale at some stage, did you not? Did you not have a row at Stockton because he did not get the city centre? A. Not me, sir.
3231. Q. Well, who was it? A. Well, he just didn't have us after that.
3232. Q. You mean he quarrelled with you but you did not quarrel with him? A. I didn't quarrel with him, no. He just finished with us, that's all, over Stockton, because he didn't get it.
3233. Q. I see. And you did not then remember that he owed you £500? A. Well, I didn't know, sir.
3234. Q. There is one other fairly substantial sum, Mr. W. C. Brown. Does that convey anything to you - 20th July, 1965? There is a J.M. Day on the 6th March, 1964 - £496.4.11d. Do you know what that would be? A. No, sir.
3235. Q. Well, what, Mr. Poulson, do you think your Trustee can do about this? You do not even know who Mr. J. W. Day is. Why did you put him down as a donation? A. Well, these were items that we could not reconcile as people who we were trading with, and which we couldn't reconcile, just as in the same way we couldn't reconcile the Hogarth one. Herrington, which is on 142, I think needs further explanation. He is a member of the staff, I have found out since. We paid his school fees.
3236. Q. Now, there are a number of entries for a Mr. Brindley, who seems to have been another one of your bankrupts. You know, we have had three bankrupts so far. We have had Hopworth, Tonsman, Lowenthal, and now Mr. Brindley. Who was Mr. Brindley? A. Mr. Brindley was a Methodist local preacher in Pontefract.

3237. Q. But he was a joiner, was he not? A. Yes, sir.
3238. Q. A joiner and a minister? A. No, he was a local preacher, and Methodism was his ---
3239. Q. Very good. A. There is another item here which you see which refers to him, and that is a subscription - E. Potterton - and that was when he, another local preacher, was going round collecting, and before he died - he died last year - Brindley got his discharge as a bankrupt.
3240. Q. Now, I want to return, in relation to your list, to Mr. Braithwaite. Now, we have dealt with Mr. Braithwaite before; do you recall? A. Yes, sir.
3241. Q. Mr. Braithwaite, on Day 2, at 1084. From 1084 onwards I asked you about the first payment to Mr. Braithwaite of £2,500 which appears here at the bottom of page 1, and you told us to write to Braithwaite and ask for an explanation, and you said at 1085, "It was not a payment to him, it was to his wife", and then you said you had known the lady all her life and they had to educate their children, and you said you would help and you made a gift to her, and then there was a further sum of £1,000 on the 16th November, 1963, and you say, "I didn't know there were two". And you told us about the investigation into Mr. Braithwaite's alleged taking of bribes, of which he was apparently cleared, and then at 1090 you said, "These payments were gifts to Mrs. Braithwaite who was a solicitor practising under her own name, which is not Braithwaite." Then on Day 4 - and here, sir, I am going to break the anonymity I preserve because of the material I am now going to put to the bankrupt. At 2535 I put the Braithwaite material from Day 2 to you and referred you to the sum of £1,000, and you said that they were straightforward gifts, and I then showed you a letter obtained by you for another officer of the Regional Hospital Board, Mr. Collins, giving a reference in your favour signed by Mr. Braithwaite. Do you remember that? A. No, sir.
3242. Q. You can see the material again if you like. A. No, it's all right.
3243. Q. Dated the 4th November, 1963, and you identified it, and I reminded you that the £1,000 had been paid on the 16th November, 1963. Did the Braithwaites ever repay any of these monies, or were they all outright gifts? A. All outright gifts, sir.

3244. Q. Did you ever get anything in exchange? A. No, sir.
3245. Q. You are quite sure? A. Absolutely certain.
3246. Q. Or your family? A. Oh, I'm glad you've reminded me by that word. My daughter, yes. When we left "Manasseh" she returned a harpsichord. He builds harpsichords in his spare time - my youngest daughter being a pianist.
3247. Q. Yes. Tell us about this harpsichord. What connection has it with what I am asking you? A. Only that he knew that my daughter was very interested in music, and he went to the school where she was, as they lived quite near, and they run musical evenings and concerts, and he saw her perform and then he offered her this harpsichord, which she returned when we left.
3248. Q. You mean it was on loan? A. No, it was a gift at the time, sir, but we weren't ---
3249. Q. What was it worth? A. I have no idea, sir.
3250. Q. Why should you give it back? A. We thought it was the honourable thing to do.
3251. Q. Why? I mean, I suppose it belonged to your daughter, if anybody? A. Yes, but she didn't want it.
3252. Q. What was it worth? A. I've no idea, sir. It was a home-made one, and for the last two years she hadn't played it and it was very much out of tune. I don't know anything about harpsichords.
3253. Q. There was only one of them, was there - just one harpsichord? A. As far as I remember, sir.
3254. Q. Well, I am now going to read to you the account Mr. Braithwaite has given of this curious transaction. In answer to an enquiry from the Trustee about the £3,500, Mr. Braithwaite replied on the 9th September, 1972, saying that although you had known his wife's family, he, Mr. Braithwaite, had never met you until you were introduced in 1962 by Mr. Linfield, and then his wife having renewed acquaintance with you, said she wanted to set up practice as a solicitor in London, and you offered to find her office premises. Is that right? A. Well, I would have thought "I had been asked" would have been more correct - did I know of anywhere.
3255. Q. Well, did you offer her and procure her an office? A. I had some available at the time, yes.
3256. Q. So you gave her an office for which she never paid any rent, did she? A. No, sir.



3257. Q. The rent was understood, according to Mr. Braithwaite, to be £150 a year, and the lease remained in your name until 1969.  
A. Well, it couldn't be transferred.
3258. Q. What? A. It couldn't be transferred.
3259. Q. No. "In 1970", he says, "an estimated sum was tendered to Clifford Turners" - your solicitors - "of £950". That would be just over six years' rent, would it not? A. Yes.
3260. Q. "And it was put in a suspense account". Do you know that?  
A. Yes, sir.
3261. Q. "Subsequently", he says, "it was ascertained the actual rent was £100 a year, but Mr. Poulson denied that this was owing", and the amount was returned to Mr. Braithwaite on your instructions. Is this correct? A. It was to be returned to Mr. Braithwaite on my instructions because I understood it was held at Clifford Turners and they were doing it just temporarily.
3262. Q. Why should you provide a woman solicitor with a free office for six years? Was there something between you? A. No, sir.
3263. Q. Well, we have disposed of that. Now let us have the real consideration. A. It was a gift, sir.
3264. Q. A gift of an office for --- A. It wasn't an office; it was the rent, sir. We didn't give her an office.
3265. Q. So that is the first gift. And when this woman somewhat belatedly pays the rent, you give it back to her. Now, why is that? - at a time when you were insolvent and in the hands of your creditors. A. No, sir, it was prior to that.
3266. Q. Well, when was it? A. Oh, sorry --
3267. Q. You issued the first letter to your creditors --- A. It was before I went and filed my petition.
3268. Q. No. You issued your first letter to creditors in July, 1970.  
A. Sorry; I apologise.
3269. Q. Was it before that? A. After.
3270. Q. After then. So Clifford Turners, your solicitors, knowing that you had issued letters to creditors and making representations about your assets, deliberately gave back money that belonged to you to Mrs. Braithwaite. Was that on your instructions? A. It was on my letter to them, yes, sir.
3271. Q. I suggest to you, Mr. Poulson, that that was a fraud on your creditors of the most blatant kind. What is the explanation?  
A. There is no explanation, sir. I wasn't aware of it, and I would have thought, had it been incorrect, Clifford Turner's wouldn't have been a party to it.

3272. Q. You mean it does not matter you defrauding your creditors so long as Clifford Turner do not? A. Oh, no, sir. After all, if I have a solicitor I expect him to keep me on the right path, and they were my solicitors and they returned the money.
3273. Q. Why did you tell them to give the money back? A. Because I thought they were entitled to it, sir.
3274. Q. Why? A. Because it had been, as you so rightly said, in a suspense account.
3275. Q. That is nothing to do with it. This woman had occupied for her professional practice a lease which cost you £150 a year --- A. Well, I'm quite sure ---
3276. Q. She had not paid it at a time when you could not pay your debts --- A. I am quite sure if you asked her for it now she would pay it back to you.
3277. Q. Well, why did you give it back to her? I will have an answer, Mr. Poulson. A. I am sorry; I did it because I thought it was the honourable thing to do at that time.
3278. Q. Why? A. For no reason.
3279. Q. You mean it was honourable to defraud your creditors? A. No, sir, it wasn't to defraud my creditors. I had a firm of solicitors who returned it back to her. I didn't personally return it.
3280. Q. Are you saying that it was returned to Mrs. Braithwaite on Clifford Turner's advice? A. No, sir.
3281. Q. Well, then, it must have been on your instructions. A. On my instructions, but at the same time, Clifford Turner ought to have told me that I ought not to do it.
3282. Q. Why did you give instructions to give it back? A. Because I thought it was the ---
3283. Q. Because she was an old pal of yours on whom you had been lavishing money for years, had you not? A. No, sir, I had not been lavishing money; I had lent her two sums.
3283. Q. Thank you. "In 1962", Mr. Braithwaite continues, "Mr. Poulson generously offered my wife the sum of £2,500 to enable her to equip and carry on the practice until such time as she was able to make a profit". Is that right? A. Yes, sir.
3284. Q. Well now, has she made a profit? A. I've no idea, sir.
3285. Q. But it is a loan? A. So he says in that letter.
3286. Q. And if, in fact, the time for making a profit has arrived, it is a loan that is enforceable, is it not? A. Yes, sir.
3287. Q. And you have deliberately concealed this from your Trustee? A. Oh, sir, I have not.

3288. Q. It is on the list of donations, is it not? A. Yes, but I put it as a loan.
3289. Q. Just look at page 1. It is a donation? Page 1. A. I am sorry, my page 1 is different to yours, sir.
3290. Q. Item 36. That is put down as a donation. Is it supposed to be a loan now? A. Well, to me, there was no distinction when I did this.
3291. Q. Well, that is what I meant when I said to you earlier this morning that you lend money to people and then do not want to be paid back, and that is a form of donation? A. No, sir, no; it's only the odd one like this.
3292. Q. All right, then; in your view, subject to the Limitation Act, Mrs. Braithwaite is under an obligation to repay this sum? A. I am quite sure she will do that.
3293. Q. You are quite sure, are you? A. Yes.
3294. Q. Well, when did you last ask her about it? A. I haven't asked her or spoken to her at all for -- this year.
3295. Q. Why did you not disclose this in your Statement of Affairs? A. Sir, I have not seen the books - I have not seen the books for three years - and I couldn't give a list of any of these items, or remember them. I could not.
3296. Q. The letter continues: "Also at this time we had just acquired part of a converted manor house at Wormley which was purchased in my wife's name. We were seeking a builder for renovation, and Mr. Poulson, who was then engaged on work at Queenswood School, recommended Cook Brothers", and then he says, "Mr. Poulson arranged for his firm to prepare the plans and supervise the work. Subsequently, when I asked for the bill, which I expected and intended to pay, I could not persuade him to send one". Is that right? A. Well, I didn't know he tried to persuade me. I never sent him one, that's perfectly true.
3297. Q. Did he ask you for a bill? A. I don't remember, sir, that occasion.
3298. Q. If he had asked you for a bill would you have refused to send one? A. I don't think so.
3299. Q. You do not think so? A. No.
3300. Q. Well, you were in a pretty generous sort of mood? A. Yes, I know, but that's all the more reason for him paying it.
3301. Q. Well then, so far as you are concerned, this was work for which you expected to be paid? A. Well, I didn't send him a bill. There were others as well.

3302. Q. How much do you think it would have been for? A. The bill?
3303. Q. It is about ten per cent of the cost of work, is it not? A. No, sir, six.
3304. Q. Six? A. It was only six - they're architects. They are only architects.
3305. Q. Twelve and a half per cent? A. Oh, no, sir. I am sorry, you have got this all confused. Twelve and a half per cent is architects, quantity surveyors, mechanical engineers, heating engineers, electrical engineers.
3306. Q. All right - six per cent. What was the quantum of the work? A. At that time it would be five per cent. The six per cent only came on in the last eighteen months.
3307. Q. How much work was involved? A. I should say about £2,000.
3308. Q. Yes. So that would be five per cent of £2,000. Now, he then goes on, "Both my wife and I felt much indebted to Mr. Poulson, who we found difficult, if not impossible, to repay monies loaned." Is Mr. Braithwaite paralysed? Is he not able to sign cheques - unless, of course, you had a very particular reason for not letting him repay you, Mr. Poulson? A. No, sir, there is no sinister reason or suggestion.
3309. Q. Then he finds a way out - a brilliant, dedicated civil servant - he finds a way out of this impasse of a man who will not be paid. "To this end, I made and gave to Mr. Poulson, for his musical daughters, over a period of years, three copies of old decorated harpsichords and virginals such as I have made for many years as a hobby. With hand-made instruments such as these it was difficult to assess the value, but probably £400 to £500 each." A. But we hadn't them at the end. We had returned the other two as each one came. We hadn't three in the end.
3310. Q. Oh, you mean they came in succession? A. No, there was one ---. He kept improving on them.
3311. Q. You mean he kept on wheeling them up the drive and collecting the last one? A. No, sir. He was improving them in his design and his execution of the things, and when he made a better one he got her to try it out and took the old one back.
3312. Q. This letter, then, is plainly misleading, is it not? A. Well, certainly we had not three, sir.



3313. Q. No, and they were not worth £400/£500 each? A. I wouldn't certainly think so.
3314. Q. Is it not rather a depressing thought that Mr. Braithwaite should be forced to this to explain why he has not paid your debts, Mr. Poulson? Is there anything else you want to say about that? A. No.
3315. Q. And did he say, "Life is very hard for me. I only get £4,500 a year, Regional Hospital Board Secretary ---" A. I didn't know he got that.
3316. Q. " --- but here's a virginal in payment of my debt"? Is that what he said? A. No, sir.
3317. Q. So it was not, in fact, a quid pro quo at all? A. No.
3318. Q. It did not affect the loan, did it? A. No.
3319. Q. Well now, we have still got to deal with the £1,000. Now, what do you say about the £1,000? A. I don't know, sir. I don't remember it.
3320. Q. How large does a sum have to be before you can remember it? £1,000 is a vast sum, is it not? Would you like to know what Mr. Braithwaite says about that? A. Yes, sir.
3321. Q. Well now, "The sum of £1,000 in November, 1963, represents a debt of this amount owing to my wife's father." Now, who was Mrs. Braithwaite's father? A. Alderman Hyman.
3322. Q. What? A. Alderman Hyman.
3323. Q. Alderman Hyman - another local government man. Where was he alderman for? A. The West Riding County Council.
3324. Q. Ah, yes; and what committee was he sitting on? A. I have no idea. He was chairman.
3325. Q. Chairman. In this town? A. Yes.
3326. Q. Lives here? A. No, he's dead.
3327. Q. Oh, I am sorry. Well now, do you remember anything about Alderman Hyman? Shall we get the name for the record - how do you spell it? A. H Y M A N.
3328. Q. Well now, do you remember any business transaction with Mr. Hyman? A. No.
3329. Q. None at all? A. None whatever.
3330. Q. Absolutely no relationship? A. No.
3331. Q. Do you know the man? A. Yes - well.
3332. Q. And did you ever undertake to do anything for him? A. Not that I'm aware of, no.
3333. Q. Well, listen to what you are supposed to have done. "The sum of £1,000 represents a debt of this amount owing to my

wife's father" - i.e. Alderman Hyman - "which Mr. Poulson had undertaken to him to recover from a Mr. Coates of Manningham Lane, Bradford." Does that mean anything to you?

A. No.

3334. Q. Made up, is it? Just complete fiction? A. I don't know.

3335. Q. Well, it must be a fiction. Look at the letter. (Letter handed to the debtor.) I will ask you if there is a word of truth in the sentence beginning "In November, 1962 ---".

Not a word of truth in it? A. I don't know anything about it. It's news to me, sir, completely.

3336. Q. Now, see what is supposed to have happened. This is now Mrs. Braithwaite, the solicitor, speaking through her husband.

A. He is a solicitor as well.

3337. Q. But not that sort ---

MR. SAFFMAN: Which sort?

MR. MUIR HUNTER: The sort that deals with clients.

3338. Q. "The bank record will show that this amount was received into my wife's firm, as from account, and later paid to her father. I do not know whether the debt was recovered by Mr. Poulson, but the amount was paid out on his instructions." Now, that is untrue, too, is it not? A. I don't recall any of it now, either the name or anything about it.

3339. Q. It is just a made-up excuse to explain the £1,000?

A. I wouldn't know about that; but, I mean, all I know is I have never heard the name "Coates"; I have no recollection of anything that is in that paragraph.

3340. Q. Twelve days before that payment, Mr. Poulson, Mr. Braithwaite had written a particularly fulsome reference for you to a fellow officer. Do you still say there was no connection?

A. Definitely not, sir.

3341. Q. Well then, while you were all being terribly chummy about giving you a reference for your splendid work, you were reaching for your cheque book to give Mr. Braithwaite £1,000? Can you not think of any other reason? A. No.

3342. Q. Mrs. Braithwaite has given one reason which you say is false. A. I didn't say it was false. I have no recollection, and I can't understand it.

3343. Q. But you are not likely to forget, are you, having offered to Alderman Hyman to collect the debt that was owing to him from Mr. Coates? You could not forget that, could you?

A. Well, I don't know. I mean, I could forget an awful lot of things.

3344. Q. Was this a way of paying Alderman Hyman a sum to ensure ---  
A. Good heavens, no. People aren't all like that, as you suggest.
3345. Q. We are dealing with your creditors' money, Mr. Poulson.  
A. And I am trying to do my best. I have tried my best to show you where --- And I have put certain sums in which I shouldn't have. I realize that now.
3346. Q. Well now, if, in fact, you cannot remember anything about the £1,000, you cannot remember whether it was a loan or not?  
A. No, sir.
3347. Q. And yet you have put it down, have you not? A. Well, as far as I am concerned these are loans or gifts that you can get back. That's what my estimation of it was, except that I am not suggesting that some of these Methodist ---
3348. Q. On Day 2, at 1087, you said, "These were straightforward gifts to the Braithwaites."  
A. Well, they were, sir, or loans or gifts or whatever. I mean, to me there is very little difference.
3349. Q. Are we to understand, Mr. Poulson, that your mode of helping people was to lend them money and refuse to be paid back?  
A. I am quite sure that when you saw this list, sir, you know the answer to that without me telling you why it was a list of gifts.
3350. Q. Is it not strange, Mr. Poulson, that at a time when you were very hard pressed for money, with the exception of this Dr. Hepworth, you never sought to recover these debts, large debts. Is it because you did not dare to? A. No, sir, it was because I was too pre-occupied. I was not a playboy. I was one of the hardest working people that this land ever produced.
3351. Q. So it comes to this: that we must add to the list of loans recoverable by your Trustee, or possibly recoverable by your Trustee, which you have failed to disclose, these Braithwaite transactions? A. I have only failed to disclose it because I hadn't seen the books and, therefore, I had lost sight of them, sir, and that is the truth. I had not seen a book until you gave me the facility, for three and a half years.
3352. Q. Just let us remember what you said at the beginning of this Braithwaite passage. You said that when you left "Manasseh" you returned the Braithwaite's present to them? A. That's correct. In fact, he collected it.

3353. Q. Oh, you mean he came and collected it? A. Yes.
3354. Q. Oh, I see. It was not a gift? A. He came and collected it. I know he did.
3355. Q. Well, that, surely, must have reminded you of your transactions with the Braithwaites. Did the ugly sum of £3,500 never come up in your conversation? A. No, sir.
3356. Q. Did you never think, when you were hard put to save your house and home and your family from disgrace, that there was Mr. Braithwaite who had had £3,500 out of you; and, if not, why not? Because you dare not; that is right, is it not? A. No, sir, that is not the truth.
3357. Q. And added to that you actually give Mrs. Braithwaite back the rent of her office. Now, perhaps you would like to explain that extraordinary transaction? A. There is nothing further to say than what I have already said, sir.
3358. Q. Well now, I know, of course, you constantly say you forget things; that you were surrounded by incompetent or dishonest staff; but is it not rather strange, Mr. Poulson, the number of your friends you never sent bills to? Can you explain that? A. They are not so numerous. I disclosed who they are.
3359. Q. Well, we have read all these terrible files of yours and you write increasingly frantic and offensive letters to people who owe you money, like the Government of Malta. You never sent offensive letters to Mr. Braithwaite, who might at least have paid your unpaid National Insurance stamps, might he not? A. Well, they were paid. They were paid.
3360. Q. Ah, well, we will come to what they were paid out of. So there is a class of persons, is there not, Mr. Poulson, to whom you deliberately do not send bills? A. No, sir.
3361. Q. And I would like to know why you do not send bills to them. A. There is no reason at all except as friends, and if you look at the list of people I have worked for, that stands out.
3362. Q. I mean, what about Sir Bernard Kenyon? A. Yes.
3363. Q. You never sent him bills, did you? A. No.
3364. Q. Mr. King, your wife's brother-in-law. A. No. I have disclosed this to you.
3365. Q. I know. You have just disclosed that you did a lot of work for Sir Bernard Kenyon --- A. Not a lot. Now, just a minute ---



3366. Q. You got him town planning consent which increased the value of his land, did it not, from £3,000 to £40,000? A. No, sir. You are getting your facts wrong, I am afraid.
3367. Q. I received a letter by hand on Saturday, which I have no doubt --- A. It's King - you've got the wrong name.
3368. Q. All right. Never mind; just change the name and answer the question. All right? I ask you: why did you do work for Mr. King for nothing that increased the value of his land to £40,000? A. For the simple reason that by that time I.P.D. had taken over my business.
3369. Q. Oh, I see. And you did some work for Sir Bernard Kenyon, did you not? A. Yes. That was only ---
3370. Q. And you never sent him a bill for that? A. It's a small one.
3371. Q. Now, I want to deal with Mr. Pottinger. Well now, the Pottinger affair. We have found some more documents about Mr. Pottinger. Now, it has been your contention, has it not, that Mr. Pottinger ordered a house from you - and when I say "you" I mean your Scottish office - and that it was all wrongly built, and you had to put it right, and the payments you made were the cost of putting it right. A. Not all of that.
3372. Q. How much of that is not right? A. Sorry, I didn't hear that because the Clerk was speaking to me.
3373. Q. I tried to summarise your case, that Mr. Pottinger ordered a house from you; that it was wrongly built and that your financial payments were the cost of putting right your staff's carelessness. A. No, sir, there was a gift to him.
3374. Q. There was a gift as well? A. Yes, but as to what proportionment I could not ascertain, as you asked me to, without I received a lot of documents and went into the final account and went into the --- saw the builders, and sorted it out, and how much it all amounted to.
3375. Q. We have found, written on the notepaper of the Scottish Office in Whitehall, a letter from Mr. Pottinger dated the 12th April, 1967, from which it appears that you were procuring - there is the original, if you like (Handed to the debtor.) - him to get a mortgage with the Wakefield Building Society on this transaction; is that right? A. Yes, sir.
3376. Q. Now, you were a director of the Wakefield, were you not? A. Yes, sir, at that time.

3377. Q. And Mr. Pottinger writes to you as "Dear John", enclosing the Wakefield Building Society forms and asking you how you wanted them to be answered. "The full purchase price. Is this £21,000?" Well now, what was it?
- MR. MUIR HUNTER: I am afraid, sir, it is at the other end --- It is dated 12th April, 1967, the handwritten letter, rather badly photographed.
3378. Q. Well, what was the price of the property? A. Twenty-six, wasn't it?
3379. Q. I do not know. A. Well, I mean, the final account I am talking about. Isn't that, you say, the cost?
3380. Q. So he was wanting to know what was to be the price of the house he was buying. Did he not know? A. Well, I took it obviously he did. He dealt with the Scottish office - my Scottish office.
3381. Q. But this is addressed to "Dear John". A. Yes, it is.
3382. Q. You mean he did not know how generous you were going to be? A. Oh, yes, he did.
3383. Q. Well, how generous were you going to be? A. £10,000.
3384. Q. You had offered to plonk down £10,000 to a serving civil servant with whom you had business relations towards his house? A. No, I had no business relations.
3385. Q. No business relations; just £10,000 flat? A. Yes.
3386. Q. In April, 1967, then, your finances were not exceptionally rosy, were they? A. I wasn't aware of it at the time, sir.
3387. Q. Well, that is the first thing he does not know - he does not know how rich he is. The next thing is "'Deposit paid'. Is this nil or the price of the land?" and he wants to know that. A. Well, I don't know anything about that. I wouldn't know.
3388. Q. Now, "'Amount to be found from own resources and source'. This is most difficult to answer since, as you know, I do not at present have any resources of this kind. Application form. 'Advance required'. You suggested £7,000. My difficulty is that on the facts given in the application form I doubt if anyone would give me a loan of this size. 'Repayment period' - presumably short, but I do not know what you have in mind." So you were going to pay off his mortgage, were you not? A. No, sir.

3389. Q. Well, what else can that sentence possibly mean except that the repayment period would be for you to choose?  
A. Well, I ---
3390. Q. This is a sales --- A. Yes, I know, but ---. No, sir, I never paid a penny of it.
3391. Q. This is a sales --- A. No, it is not. I never paid one repayment, sir.
3392. Q. He goes on --- A. As you can check up.
3393. Q. "I am very sorry to trouble you with all these details, depending as I do on your inexplicable generosity, but I need your advice." Now, why should you be inexplicably generous to Mr. Pottinger? A. Well, he is probably my greatest friend of all, and I admired him so, and I took the opportunity of helping him.
3394. Q. I would like to know a little more about the set-up here. Did he say, "Look, I need a house"? A. He wanted for years to have a house near --- in this area, where it is.
3395. Q. So you were going to find £10,000, the Wakefield Building Society was going to find £7,000 and was he going to find the difference? A. Yes, the balance.
3396. Q. He didn't have any resources? A. Oh, yes, he did, sir. That was not correct.
3397. Q. This letter is not true, you mean? A. No, that portion of it isn't. He had some sources; he had some shares.
3398. Q. Then he goes on - and remember this letter is written to a person who is, in fact, a director of the building society referred to - "Lastly, I hope that the Wakefield people" - that means the building society - "can be instructed not to approach St. Andrews House" - that is his office in Scotland, is it not? - "otherwise they will wonder what I am up to." What does that mean? A. I don't know, sir.
3399. Q. This transaction was to be concealed from the building society of which you were a director --- A. Oh, no, it wasn't. I mean, they knew.
3400. Q. The true facts were to be concealed, and it was to be dressed up as if it was a real transaction by Mr. Pottinger himself. A. They had got --- As far as they were concerned, all they had got to have was the security of the house.
3401. Q. And a lot of lies on the application form. A. No, sir.
3402. Q. I suppose this application form must be in existence, must it not? A. It must be somewhere.

3403. Q. Counter-signed by you, no doubt? A. No, sir.
3404. Q. How did you square it with Mr. Robinson, the manager?  
A. I didn't square it at all, sir.
3405. Q. At any rate, you let it go through with a lot of false statements on it? A. No, sir.
3406. Q. False to your knowledge. A. No ---
- MR. SAFFMAN: Sir, is this application form to be produced?
- MR. MUIR HUNTER: We will get around to it. I only got this file last week, and some of it we only got on Saturday.
- MR. SAFFMAN: Well, in that case, sir, I fail to understand how my learned friend can know that the application form of the building society has false statements upon it.
- MR. MUIR HUNTER: We will find out.
- MR. SAFFMAN: When it is found out ---
- MR. MUIR HUNTER: My learned friend will do well to ponder before he tempts providence. There are statutes about this kind of thing.
3407. Q. So you were to see that they were not to approach his Scottish Department; is that right? A. I don't remember this at all, sir, until you showed me this letter.
3408. Q. Well, did you provide the money? A. Yes, sir.
3409. Q. How did you provide it? A. By paying the builder out individually.
3410. Q. Direct? A. Yes, sir.
3411. Q. Would you look at the next letter which is the yellow paper file? There is a file which I call the yellow paper file. It consists of spare carbons kept by Miss McLeod, for no apparent reason, but it is a veritable gold mine of evidence. Look at this. (Handed to the debtor.) This is a letter addressed by yourself to Mr. Pottinger. "Dear George, Please find enclosed a cheque for £1,000, together with a certificate for £2,000." So the certificate for the building of the house would be signed by you or issued by your office? A. Yes, by my office.
3412. Q. Right. So that is a thousand pounds for him. You received £1,000 less interest charges from the building society, so you make this up, add the thousand and pay it straight away. So you are giving him the money to pay the builder with?  
A. I didn't know I was, but I thought it was all paid direct to the builder.
3413. Q. It is a letter written by yourself. A. Yes.



3414. Q. Well, then, time passes and the central heating contractor, Angus Heating, goes into liquidation, does it not?  
A. Yes, sir.
3415. Q. And there is more trouble down at the mill. On the 13th May, 1970, - this, sir, is at the other end of your Pottinger file; I do not know which way round it is - Now, I am going to ask you to read this letter to yourself, Mr. Poulson. You wrote this just over two years ago. Tell me when you have read the letter. Is that a letter which you recall writing?  
A. Yes, sir.
3416. Q. Is it addressed to your solicitor, Mr. Grimwood of Clifford Turner?  
A. Yes, sir.
3417. Q. Is the first sentence of the second paragraph true?  
A. No, sir.
3418. Q. It is not true? So you make a deliberate statement to your solicitor on this matter which is not true. Perhaps you would like to tell me why you should deceive your solicitor?  
A. I don't know why this was put in, but he did not get the Aviemore job, as you are well aware.
3419. Q. Is the statement in the second sentence of the second paragraph true?  
A. Well, it looks (inaudible), yes; that's my opinion.
3420. Q. The second sentence of the second paragraph, beginning "He has."  
A. Yes, but I don't like (inaudible), that's correct.
3421. Q. Now, look at the third paragraph. Well, I will read you the third sentence. "He persuaded me to build a house for him, and when the tenders came in it had to be carved out." The third paragraph begins, "The main point in the matter is that George Pottinger gave us the ceiling figure and this has been exceeded, and he just refuses to pay any more, in my opinion rightly so", and then you go on as usual to blame your subordinates.  
A. Well, it is hardly right, sir, when I get two recommendations for two heating engineers who go bankrupt on the job. It is hardly efficient.
3422. Q. Well now, is the first sentence of the third paragraph true?  
A. Yes, sir.
3423. Q. Where into that sentence shall we fit your gift of £10,000? It is quite inconsistent, is it not?  
A. Well, it doesn't mention it.

3424. Q. No, it is quite inconsistent. What is the ceiling figure you refer to? A. Well, the ceiling figure would be £21,000.
3425. Q. Less £10,000, your gift? A. Yes.
3426. Q. I see. So you did not tell Mr. Grimwood you ---  
A. Well, he knew.
3427. Q. Mr. Grimwood knew that you were paying half the cost of the Secretary of State's house? A. He knew that I had done this with Pottinger, yes.
3428. Q. You are quite sure? A. I am quite sure he did.
3429. Q. Speaking of a person who is not here and not represented, that a solicitor of the Supreme Court knew that you were paying half the cost of a senior civil servant's house? Do think what you are saying. A. Look, I mean, this isn't a stranger. He's a civil servant. I am not looking on him as a civil servant; I'm looking on him as an absolute very sincere and good friend, and his wife and son.
3430. Q. Will you turn to the second page, please, the main paragraph, and would you look at the sentence which is about two-thirds of the way down and begins, "We built." A. Yes, sir. Now, here there is an inaccuracy.
3431. Q. Firstly, is the substance of the rest of that paragraph true? A. No, sir.
3432. Q. You mean it is false or ---? A. No, it is incorrect, as I have said. The part that is incorrect is, "I have known for many years ---". I knew this man years before, because he was sent by the Ministry of Health to see me ---
3433. Q. Do not let us worry about the history. I am interested in the business. Is the main part of that sentence in relation to your dealings with Mr. Pottinger true? A. The part that is true, sir, is that I went to see the Secretary of Education and I ---.
3434. Q. I do not wish you to commit the substance of the paragraph in public, if you please. A. Oh.
3435. Q. I want to know whether the contents of the paragraph are, in substance, true and are known to be true when you wrote them. A. Up to the word "fortunately", yes, sir; up to the end of the word "who"; the rest is not correct.
3436. Q. You mean the financial references are not true? A. No, that part is all right from the word "but"; the part that is not correct is from the word "fortunately" to the word "out".

3437. Q. Yes. You mean that is an exaggeration? A. No, sir, that has been an error on my part.
3438. Q. Well, then the solicitors get to work and try and wear down the Official Receiver by saying that this bill was payable by Mr. Pottinger, and then we find on the 1st of May, 1970, Mr. Pottinger writes to Mr. Grimwood at your request; is that right? A. Sorry, sir, what date?
3439. Q. 1st of May, 1970. A. It isn't on this file. The next letter is the 12th of May.
3440. Q. (Document handed to the debtor.) Can you read it? It is rather a poor photograph. A. Yes, sir.
3441. Q. Well now, did you ask him to write to Grimwood? A. I suppose so, if it says so.
3442. Q. And he says, at the bottom of page 1, the Official Receiver is mistaken; he cannot accept that sum is owing to the company; and continues, "Any such sum would be in excess of the price quoted to me and which has been paid. There is, therefore, no contractual or other liability on my part." Well, subsequently you agreed to pay it, did you not? A. Yes, sir.
3443. Q. But you never paid it because you went bankrupt? A. That's correct.
3444. Q. Why should you agree to pay it? A. Well, I thought it was an error on behalf of --- by my heating engineers, sir.
3445. Q. But do you mean to say --- A. After all, it is hardly a good recommendation that they choose two firms that go bankrupt for that.
3446. Q. Yes, but this was the man to whom you had paid £10,000 towards his house. A. It still didn't ---
3447. Q. And he was going to make you pay for the central heating? A. It still didn't alter the fact, sir, that due to negligence on my behalf - on behalf of my staff, sir - it was going to cost him more than he anticipated.
3448. Q. Well, then there is a long letter to the solicitors from your assistant, Lancaster, dealing with the figures, and that can be shown to you - 21st May, 1970. Well now, this letter is the history of the financial side of the building. It starts in December, 1965, with an estimate of a scheme prepared - £28,366. "Client placed ceiling cost at £30,000." A. That is not correct.
3449. Q. What should it read? A. £20,000 - £21,000.

3450. Q. Yes. Well possibly Mr. Lancaster had not been told about your gift. A. I don't think Mr. Lancaster --- I am quite sure Mr. Lancaster wasn't in my employ at that date.
3451. Q. "Tender received for £37,735. Instructions received to reduce tender to 28 plus 2." Of that, your contribution was to be how much? A. Still ten, sir.
3452. Q. Still ten. So Mr. Pottinger was going to find twenty? A. No, he was never agreed to this figure. It was ultimately reduced further.
3453. Q. Yes, it has been reduced to 28 plus 2. A. Well, I don't think he ever gave authority for £30,000 to be spent; at least, I understand he didn't.
3454. Q. If you look at the second page you will find the estimated final cost of the work was £29,589. A. Yes, sir.
3455. Q. That would be within the target, would it not? A. Well, I don't think this target, as stated here, is correct, sir.
3456. Q. Then if you look at the last paragraph, "The gross tender amount was originally £27,302, and it was intended to deal direct with certain price sums, thus reducing the building tender only to £20,293," and so forth. Have you any further comments to make on that letter? A. Only that I don't agree that it was ever agreed that he should pay -- build a house for £30,000. If you saw it, you would see the reason why I don't agree.
3457. Q. Did your staff know that you were making this contribution? A. No, sir.
3458. Q. Therefore, the figures would have to be as Mr. Lancaster stated them, would they not? A. No, sir. He has had to take them from somebody else because he was not with the firm at that time.
3459. Q. No. Let us do another one of our little scenarios that we tried to do with you before and you would not have it, Mr. Pottinger says, "Look, I want a house on Muirfield Golf Course and all I have got is £20,000," and you say, "Right ho, boy, I will put up another ten; that makes £30,000 - and for £30,000 you can have a house." So you provide £10,000 and he provides £20,000 but nobody is to know so the office does it on a £30,000 basis. Is that not almost inescapable? A. No, sir.



3460. Q. You tell me how it works.      A. Well, he didn't agree to build a house at £30,000, and I am jolly sure it never should have been this figure.
3461. Q. You mean Mr. Lancaster has invented this ---      A. No, he hasn't invented it.
3462. Q. Mr. Lancaster is still alive and traceable, you know.  
A. I know he is, and he has also made mistakes and I have had to pay for them. Chester Corporation - a very big one.
3463. Q. I must ask you to look at the letter. Are you saying that the figures and dates on the first page are not true?  
A. I am saying that I have no recollection of them, but I am equally saying ---
3464. Q. That is quite a different matter.      A. It is not. I am equally saying that I am jolly sure that that house - the tender received, £30,735 - is not the house that has been built. It was certainly reduced a lot more than that.
3465. Q. In your letter to Mr. Grimwood you said that the tenders had been "cut about"; do you remember?      A. Yes, because you have only to look at the house to see it. You saw it in the "Sunday Times" yesterday.
3466. Q. What do you say the house was agreed to cost?      A. I'd understood it was about £21,000, within £1,000 of that.
3467. Q. Of which you were to provide £10,000 and he was to provide £11,000.      A. I thought it had finished up at £26,000 and it was £29,000.
3468. Q. There is not a word in this file to support what you are saying, Mr. Poulson. Do you still wish to adhere to it?      A. Look, sir, I only know what the conditions were as I knew them, but as far as --- The only difference is that the £24,500, Dennis' account, final figure ---
3469. Q. Perhaps you would like to explain again why Mr. Pottinger got £21,000 out of you.      A. I have no idea, except I just felt that my staff had made errors and ---
3470. Q. No, no. The truth of the matter, Mr. Poulson, is this, is it not? All that Mr. Pottinger had was £10,000. The house cost just over £30,000 and you provided the rest, did you not? That is what the figures show, is it not?  
A. Yes, that's what the figures show.
3471. Q. And you would not have produced £21,000 if it were not that you had to pay everything over and above what poor old Pottinger could dig in his pocket for.      A. Oh, no, sir. I'm quite sure -- I don't know what he has.

3472. Q. But you told us about his resources. A. I haven't told you about it because I don't know, but I do know that he has some.
3473. Q. Yes, but he said he couldn't fill up the form because he did not have the kind of resources he would have to show. A. Yes, but I'm quite sure he had the resources to do that.
3474. Q. How much? A. I have no idea, sir.
3475. Q. If you have no idea, how do you know how much they were? A. I am quite sure that he's not the type of man who would have entered into it. I knew that he had certain shares, but he didn't want to cash them because they were shares (inaudible). I know which they were.
3476. Q. So to save Mr. Pottinger cashing his shares, you were prepared to give practically a blank cheque? A. No, sir. I didn't realise it was going to be £21,000 at that time. If I had, I wouldn't ever have agreed to it.
3477. Q. At one stage, £7,000 of Mr. Pottinger's benefit was entered as a staff loan; do you remember that? A. Oh, I saw that in the books. I saw that this time.
3478. Q. That would represent, would it not, another one of your funny loans? A. Not mine, sir. No, I didn't do that.
3479. Q. You mean that was just a mistake? A. Well, if you saw those books you would find very few that aren't mistakes in the entries.
3480. Q. You mean somebody deliberately wrote down that Mr. Pottinger --- A. No, sir, I have never seen incompetence like it.
3481. Q. How would anyone know that Mr. Pottinger's payment was a loan? A. They had even got my dentist down as a loan.
3482. Q. Then it was changed from being a loan and swapped to a gift. We have seen that, have we not? Finally, would you look at the letter dated the 1st June, 1970? (Handed to the debtor.) Do not read this out aloud. This is another letter to Mr. Grimwood. Would you look at the second paragraph? It is referring, is it not, to your original letter, which we did not read out, dated the 13th May? A. This, of course, as I said earlier - yes, it refers to it - is not correct.

3483. Q. Which bit of it is not correct? A. The third line.
3484. Q. The third line? A. The end of the second line, from the word "and".
3485. Q. You mean it is not true that the person there referred to could do what you say? A. No.
3486. Q. Why did you put it then? A. I can't understand why I did it, sir.
3487. Q. Are you engaged in deceiving your solicitor again? A. No, no, no. The 1st of June, 1970.
3488. Q. Is not Mr. Grimwood the only person you ever told the truth to? A. No, sir.
3489. Q. Who else did you tell the truth to? A. To everyone. That's why I kept clients for twenty-odd years.
3490. Q. So why did you write this perfectly terrible letter, then? A. Because at that time I was - I make no excuses - this is not an excuse - I am not varying from the fact that that statement is not correct, and when I see the date - the 1st June, 1970 - the reason was the state of mind.
3491. Q. What had happened was that the successive practice had refused to pay this bill, had they not? A. No, sir. The position was this: that they had exceeded -- this man, the same man who had built Pottinger's house, had exceeded the amount of the tenders on ---
3492. Q. No, no. You are not following me. The argument now is about the cost of the central heating - £665. A. Oh, sorry, I thought you were talking about ---
3493. Q. Yes, indeed, the first paragraph refers to it. Pottinger was saying you must pay; you were saying that Pottinger must pay, and both of you were saying --- A. Are you talking about the 1st June letter?
3494. Q. Yes. "I wouldn't have sent this on to you if it hadn't been necessary to pay up." Do you see? A. Yes.
3495. Q. And the last sentence is, "Of course, the partners' attitude is don't pay anything, right or wrong. They don't appreciate the intricacies of the matter." What was intricate about paying Mr. Pottinger's central heating bill? A. For the simple reason that they didn't know, the architects, the inefficiencies of the other section - the associates, the engineers - who had appointed two firms who had gone bankrupt on the job - three, on a little house - three firms of heating engineers ---

3496. Q. Alternatively because they did not know about Pottinger. A. They also didn't know, as you rightly point out, and as I say, they didn't know anything about the £10,000, and there is no reason why they should have.
3497. Q. And they did not know that Mr. Pottinger could not be made to pay without embarrassment. A. I am quite sure he can.
3498. Q. Well now, as you know, your Trustee has brought proceedings in Scotland to recover a total sum of £21,419 with interest. A. Yes.
3499. Q. And we know that Mr. Pottinger has repudiated this completely. What they say is that the Trustee's claims are unfounded in fact, and the defender is not liable to pay. Now, it is your duty, Mr. Poulson, to provide your Trustee with the material necessary to conduct this action, and we must, therefore, be very careful, must we not, about the nature of the case that the Trustee is to put forward which you will have to support in evidence. Would you like to re-state, in as simple a manner as possible, what you claim to be the status of the £21,419 in relation to the rights of your creditors vis-a-vis Mr. Pottinger? We know that you say that £10,000 was a gift. That is what you have said. Was that the sole amount of your gift? A. Yes, sir.
3500. Q. What was the rest? A. Well, what proportion of the rest - I may have been out, I don't know - but I am quite sure that the amount of the errors do not amount to another £11,000. Now, I would like to - it will take some time and really a lot of work - to find out what proportion of that it is.
3501. Q. Now, I would like to help you, if I may. You are the expert man here. I can understand a margin of ten per cent error; that is to say that a £20,000 house might cost £22,000 by error. A. I would be furious if that happened.
3502. Q. Yes; but you cannot really, as an architect, sit there and imagine a house that would cost fifty per cent more by error, can you? A. No, sir.



3503. Q. Therefore, if the house cost £29,000 to build, its estimated price must have been of the order of £27,000. A. Yes, but the increased cost due to these three heating engineers must be in the region of £4,000 or £5,000 alone. They had done so much work, and I am pretty certain that in one case - I don't know whether it was the first or the second contractor - they had actually had over certification.
- MR. SAFFMAN: If I may interrupt for one moment; I am sure the hearing tomorrow will not be the last day of the examination.
- MR. MUIR HUNTER: We will go into this later.
- MR. SAFFMAN: The position is this, sir: if I may say so, I have already written to those instructing my learned friend saying that on the supply of certain further information referred to in my letter of the 14th September, that my client will give the information which my learned friend is now requesting.
- MR. MUIR HUNTER: I think we are at cross purposes, if I may say so. I am greatly obliged for the offer of assistance, which, of course, I am happy to accept.
3504. Q. What I am here, Mr. Poulson, to do is to try and discover what your case is - not the nuts and bolts, your case. Now, your case, as I understand it, is this: that you said you would give him £10,000? A. In the first place, yes, sir.
3505. Q. The house, in fact, shall we say, cost £30,000 - let us take a round sum. Now, we find that you paid £21,000 altogether. So that means you have paid £11,000 over your initial stake. Now, you say that maybe £4,000 of that represented additional costs due to errors in nominating or certifying central heating contractors, so that leaves, does it not, another £7,000? A. Yes, but I am equally certain that there are other items in the (inaudible) account.
3506. Q. I now want you to tell the Court why you paid the difference between £10,000 and £21,000 less the errors, and what was it? Was it a loan or another gift? A. Whatever the amount is, it was a gift, sir, and whatever the amount is - and I hate to hazard a guess because I think it is absolutely essential here that we get it factually, and it can be obtained factually, but there is an awful lot of work to do.

my figure already." What happened? I must know, Mr. Poulson, and I will get the Court to order you to answer, if you please. A. Sir, I am trying to help you all I can.

3518. Q. You are not trying at all, Mr. Poulson. A. I am, sir.

3519. Q. You are the only possible witness for the Trustee in this matter on fact, and you are deliberately refusing to give the Trustee the explanations that I need. Now, try again. What passed between you and Pottinger over this house? We will hack it out of you one way or another. A. I am sorry, there was nothing that passed between us. I don't know what you are referring to.

3520. Q. What was your last answer? (The shorthand writer read back the answer to Question No. 3519.) Now, I suggest to you, Mr. Poulson, that it is a ludicrous and really a degrading proposition that you are putting forward; that you should deal with a grown man in a senior government position and that you should just pay the whole of the bill without question, without discussion. You had better say it is a loan, if you think about it.

MR. SAFFMAN: Sir, I would ask that this matter be referred to the judge when the transcript is available.

MR. MUIR HUNTER: I am not asking the Court to order Mr. Poulson to answer yet.

MR. SAFFMAN: No, sir, but I am asking that this matter be referred by you to the judge when the transcript is available.

THE REGISTRAR: Why?

MR. SAFFMAN: Because he has been asked the same question, I would say, sir, without a copy of the transcript, four times; he has given the answer four times. He is now, in my respectful submission, being harassed. I would put to you, sir, that this was not a proper question, and I would, in the circumstances, ask that this be referred to the judge. Mr. Poulson has said in terms specifically that any part of the amount paid by him which was not for inefficiency was a gift, and he has offered, on being supplied with the document, to ascertain how much of that amount was a gift.

THE REGISTRAR: Yes, but Mr. Hunter is not trying to get out the precise figures which are involved, but the general case. I cannot see any objection to this question being put. As I understand it, this was a

3528. Q. Well, he exhausts his stake, does he not? A. And I exhaust my £10,000.
3529. Q. Yes; and then what happened? A. And then the house was occupied, and then, about eighteen months after, the final account was prepared and it was then that the difference came to light. It wasn't known before, sir.
3530. Q. Yes, but by that time you had paid practically all your money. A. No, it was towards the end I paid (inaudible) sum, sir.
3531. Q. So, if we look very -- A. If you look, you will find this.
3532. Q. If we look very carefully, we might find correspondence between you and Mr. Pottinger thrashing out this business of who should pay what? A. I don't think you will find that, but I think you will find ---
3533. Q. Mr. Pottinger can write, you know. We have seen several letters from him. A. Yes, I know, but I didn't know that he did write on these items. I can't recall it.
3534. Q. You mean Mr. Pottinger would deal with a matter of this sort entirely by word of mouth? A. No, but at the same time I do not recall correspondence.
3535. Q. Mr. Poulson, you are being driven deeper and deeper into the corner. A. I know -- I am only trying -- I can't say I remember something I can't, sir.
3536. Q. You could just tell the truth; quite a simple thing to do. Just tell us what the arrangement was. A. There was no arrangement, sir, except what I have already told you.
3537. Q. Just £10,000 from you? A. Yes.
3538. Q. And in the event you picked up the bill for the balance. Was £10,000 the figure you had handy? A. Sorry?
3539. Q. Your contribution of £10,000 -- how did you arrive at that? A. Well, I forget, sir, but it seemed it was half the cost at the time. I can't remember ---
3540. Q. It was not a percentage of something --- ? A. No, sir. There was nothing; nothing he could ever do for me.

MR. MUIR HUNTER: Well, I do not think we can take this further. We may have to examine Mr. Pottinger. By the way, sir, I should have mentioned to the Court that we were grateful for you forwarding the letter which I understand was addressed to yourself, and which I do not propose to make use of without much further consideration. It is from the local government dignitary that ---

*Cunningham*

3551. Q. When I put it to you on the last occasion it was a "thank you" for getting the work for the Whitehaven Union Offices, you would not have it, would you?  
A. I can't remember that, sir.
3552. Q. You said it was not a "thank you". Well, I can understand one "thank you", but what about two "thank you's"?  
A. Well, there were three ---
3553. Q. Two offices - one "thank you" for each office?  
A. No, no, there were three jobs.
3554. Q. Three jobs. Well then, there should be a third holiday? A. No.
3555. Q. It is your creditors' money you are joking with, Mr. Poulson. A. I am not joking at all. The suggestions that have been put forward to me are incorrect.
3556. Q. Do you know that in the last year of your practice these debts were incurred and were never paid for?  
A. Yes, sir, I am aware of that.
3557. Q. At a time when you could not pay any of your creditors you sent trade union executives on holiday twice.  
A. I was always certain that I would pay those creditors in full.
3558. Q. You have nothing further to add about this?  
A. No, sir.
3559. Q. Well now, when I asked you about Mrs. Cunningham being a consultant - do you remember? A. Oh, yes, I remember.
3560. Q. -- to get £1,500 a year, which was at the end of 1969 when you were absolutely flat broke, you said, "Well, she had been a retired schoolteacher." A. So I understood.
3561. Q. That is not true, is it? A. No, I understand so, sir.
3562. Q. According to my information, Mrs. Cunningham was never a schoolteacher. A. I am sorry, I understood that she was.
3563. Q. And she had no qualifications as an interior decorator.  
A. I didn't appoint her, as Mr. Saffman has written a letter to the Public Trustee.
3564. Q. It is now suggested that it was Mr. Sales who appointed her? A. It is not suggested. I was reminded that this is what took place. That day that you talked to me about it before, I was, as I said earlier, I was terribly confused.



Cunningham

3565. Q. This will not do. This is just an absurd concoction on your part. A. It is not, sir.
3566. Q. Think of the date. Just think of the date. The date of the Cunningham memorandum is January, 1970, by which time you were out of business. A. It was before then that I saw her.
3567. Q. 16th January, 1970. A. No, sir, we saw her in November, Mr. Sales and I.
3568. Q. Oh, you now remember seeing her with Mr. Sales? A. I said so in that letter Mr. Saffman has written.
3569. Q. Yes, but you have not said it to the Court. MR. SAFFMAN: With respect, sir, I believe the debtor has in the previous transcripts.
- MR. MUIR HUNTER: Very good. I stand corrected.
3570. Q. So you and Mr. Sales, at a time when your business was absolutely bust, interviewed Mrs. Cunningham and employed her at £1,500 a year; is that what you are seriously saying? A. That isn't what actually happened, sir.
3571. Q. And why should she be described to Miss McLeod as your consultant? Do you remember you said, "There is another consultant"? You do not wish to add anything further? A. I don't think I can add anything else, sir.
3572. Q. If she was, in fact, being employed by Mr. Sales -- A. It was his responsibility, as I have shown on here.
3573. Q. -- why does it appear on your file? A. It shouldn't have done. It's an error.
3574. Q. Well, then, you remember a secret major consultant? A. Yes.
3575. Q. You have identified him, have you not? A. Yes.
3576. Q. Did you receive any money? A. No, sir.
3577. Q. Why was he secret? A. Well, I didn't realise at the time that I had to disclose that name.
3578. Q. No, no. I am not speaking about in court; I am speaking about the memorandum in which you said his name is to be known only to you, Mr. Scott and Miss McLeod. What was secret about it? A. Well, I don't know; just that he was thinking at that time of being a consultant, but he was never taken on.
3579. Q. You remember who the gentleman was? A. Yes, sir.
3580. Q. He was a senior minister in the Maltese Government, was he not? A. Yes.

3581. Q. And were you proposing to employ him? A. After, yes.
3582. Q. After what? A. After he had come out of it.
3583. Q. Was he resigning? A. He was expecting that they would get defeated in the next election.
3584. Q. He was expecting to be defeated? A. Yes.
3585. Q. And you were going to take him on after? A. Probably.
3586. Q. How much? A. There was no sum discussed.
3587. Q. Any kind of contract between you? A. No, sir.
- MR. SAFFMAN: Whilst my learned friend is checking on this other matter, the questions to which I referred about Mr. Sales and Mrs. Cunningham are at Day 4 on page 29.
- MR. MUIR HUNTER: If I am mistaken I must apologise.
- MR. SAFFMAN: Sir, nobody appreciates better than I do how easy it is to make a mistake in matters of this nature, but it is Day 4, page 29, question 2103, and at page 31 at approximately question 2134.
- MR. MUIR HUNTER: Yes, you are quite right. I am sorry.
- MR. SAFFMAN: I am glad to be able to be of assistance.
- MR. MUIR HUNTER: He said, "I don't know how it happened."
- MR. SAFFMAN: But it is with Mr. Sales, and he was an employee of O.S.B. That is what he said.
- MR. MUIR HUNTER: I am proposing, sir, to invite the Court to rise in a few minutes because we have had a fairly long day.
- THE REGISTRAR: Is that the letter you are looking for?
- MR. MUIR HUNTER: Yes, this is the memorandum from Miss McLeod to Mr. Scott. "Mr. Poulson has remembered there is another O.S.B. consultant, Mrs. May Cunningham, Chester-le-Street. She receives" or "received" - it is not clear - "£1,500. Mr. Poulson is arranging that this lady is paid in future by Mr. Dan Smith."
3588. Q. Is that the incident to which you are referring? A. Yes.
3589. Q. That she had been employed by -- A. Sales.
3590. Q. And was to be paid by Mr. Dan Smith? A. That is what he asked - suggested.
3591. Q. This was apparently a decision by yourself. A. Sorry?
3592. Q. This was a decision by yourself? A. No, sir, I never did anything ---
3593. Q. "Mr. Poulson is arranging that this lady -- " A. Yes, I did it at the request of the chairman of O.S.B. After all, he was employed by them, not by me.

*Dan Smith*

3594. Q. Mr. Sales -- A. -- and I was doing it in the capacity of Ropergate Services.
3595. Q. Well now, I have got two small matters to finish off with. Do you remember I asked you earlier to-day about giving holidays to Mr. Dan Smith? A. Yes, sir.
3596. Q. And you said that it could only be on business. I have here, in a file entitled "T. Dan Smith" just produced by you, this letter - January 3rd, 1967. "Dear Miss McLeod, Mr. Poulson asked me to send on particulars of my summer holidays to you. I want to take my wife and two younger children, aged fourteen and ten, to the beach bungalows at Glyfada, near Athens. Last year you arranged for two bungalows adjoining each other. They only had one room in each. We were on half pension - this being breakfast with one meal in addition. Mr. Poulson suggested this could be arranged by paying through an account in Athens. We would fly out," and so forth. "I would appreciate it if you could let me know if it is practicable with the present credit restrictions. I would also want to hire a small car." A. Well, that doesn't alter the position at all, sir. We have no account in Athens and I can only imagine it is ---
3597. Q. Do you know a Dr. Metselaar? A. No, sir.
3598. Q. METSELAAR. A. I have nothing to do with ---
3599. Q. Do you know a Dr. Metselaar? A. No, sir.
3600. Q. Now, what do you say about that holiday letter? A. Well, I always -- I still maintain that the only reason I knew that they were going to Greece was that there was a Ministry of Transport job and he was ---
3601. Q. Now, look, that is not what the letter says, is it? A. It is not what the letter says, sir, but it is what ---
3602. Q. And you are faced with what the letter says. You say the letter is a lie? A. It is a lie in this, sir: first of all, I had no banking account in Athens - never have had and not anywhere in the world other than in England. So it must be a lie.
3603. Q. Well, Miss McLeod is your confidential secretary. A. Yes.
3604. Q. On the 15th January Mr. Smith writes, "Dear Miss McLeod, Thank you for your letter confirming that the arrangements are O.K. for Greece in August. You will let me

3617. Q. This is in Beirut. "I met the gentleman whom you were very impressed with - Deputy Sheikh Khalil El-Khouri - son of an ex-president, who, from all I can gather, is likely to be president the next term or the term after." Do you remember that gentleman?  
A. Yes. I was taken out here - this is very surprising - I was taken out here at the request of Sassoons, the merchant bankers, who introduced this ---
3618. Q. What has that to do with the question of whether or not you met him? A. This is how I did meet him. It was through that introduction.
3619. Q. Your memorandum to Mr. Maudling goes on: "He" - that is Deputy Sheikh Khalil El-Khouri - "is prepared to do anything for us, but he wants paying and I.T.C.S. can make the arrangements."
- MR. MUIR HUNTER: I show the witness a photo-copy of the letter.
3620. Q. What is meant by the words, "He wants paying and I.T.C.S. can make the arrangements"? A. Who is this letter from?
3621. Q. It is from yourself to Mr. Maudling. It is a report on your Middle East trip. A. Oh, no, it is a report on all over the world, sir. That's what I was looking for.
3622. Q. What is meant by "He wants paying and I.T.C.S. can make the arrangements"? A. For the expenses, I expect; for anything he had to do with it. I have no idea ---
3623. Q. No, it means that Mr. Khourih has to be paid to get the hospital, does it not? A. Oh, no, sir, because this hospital was given to Sassoons, the bankers, and Sassoons took me out.
3624. Q. What do the words in English "He wants paying" mean? A. I have no idea, sir.
3625. Q. Who wrote them? A. I did.
- MR. MUIR HUNTER: This, sir, might be a convenient moment.
- THE DEBTOR: This was brought definitely by Sassoons, the bankers, who are the export credit guarantee bankers, and that's how it came.
- MR. MUIR HUNTER: Now, sir, you have heard some discussion to-day about documents in the custody of the debtor. Now, I have been given to understand that those that have



been produced are the debtor's own selection, no doubt quite bona fide, but I would not wish myself to be confined to the debtor's own views as to what is relevant, and, therefore, I was going to ask you, sir, to obtain an undertaking that the debtor hands over the whole of his papers forthwith. The Trustee will make arrangements for transport.

3626. THE REGISTRAR: Have you any more papers, Mr. Poulson?

A. No, I gave them all to Mr. Saffman.

THE REGISTRAR: Have you any more papers?

MR. SAFFMAN: I have no papers at all, sir. Everything that has been transmitted to me has been transmitted by me to the solicitors acting for the Trustee. Mr. Poulson, when I was first instructed by him, informed me that he had a very considerable number of files relating to masonic matters and religious matters and political matters, and I asked him to take out those which either might or might not be relevant, so that I could judge which were, leaving only those relating, as I have said to matters clearly not relevant. I understand from my learned friend that he now wishes all the files to be made available to the Official Receiver -- I am sorry, I have used the wrong expression. Not "made available" but "handed over" to the Official Receiver.

MR. MUIR HUNTER: To the Trustee.

MR. SAFFMAN: No, sir, with respect ---

MR. MUIR HUNTER: They belong to the Trustee as a matter of law. Every single thing belongs to the Trustee - Section 38.

MR. SAFFMAN: Sir, I must not interfere in that argument which is between the Official Receiver and the Trustee. I understood it was the Official Receiver who required them, but that is a matter between them.

So far as Mr. Poulson is concerned, once you, sir, have exercised the judgment of Solomon as between the Trustee and the Official Receiver, and an indication is given as to the time when some van or other large vehicle will call to collect them, I undertake, on behalf of my client, that they will be there for collection.

THE REGISTRAR: Mr. Hunter, do you want the files falling into those three categories which Mr. Saffman has mentioned?

MR. MUIR HUNTER: I am not quite sure, of course, how they work out, and I do not know what is meant by a "political file" exactly. I mean, I know, for example, that Mr. Poulson gave enormous donations to a school, which presumably might come on a charitable file or an educational file - I cannot say - but, I do not want to seem unreasonable, under Section 38 everything the debtor is possessed of - except disclosing his false teeth - belongs to me, and I just want the files.

THE REGISTRAR: Very well.

MR. MUIR HUNTER: And we will return any that are not relevant forthwith.

THE DEBTOR: I can deliver them on Wednesday morning.

THE REGISTRAR: Well, these files must be produced as soon as possible, Mr. Saffman.

MR. SAFFMAN: Well, I would prefer, sir, if it could be indicated when somebody will attend at the debtor's house, and I will make convenient arrangements to be there and they can be collected, and then we all know what has happened. We can make a mutually convenient arrangement, sir.

MR. MUIR HUNTER: On Mr. Saffman's undertaking to use his best endeavours in the course of the rest of the day, I will be perfectly happy.

MR. SAFFMAN: I do want to get back to the office for a little while.

THE REGISTRAR: Then I will adjourn this Public Examination until tomorrow.

(PUBLIC EXAMINATION ADJOURNED TO THE FOLLOWING DAY)