

subject, before he does so, sir, since I understood from what he said previously that he was putting these questions about Mr. Poulson's dealings with Mr. Maudling, because of an undertaking he gave ---

MR. MUIR HUNTER: I gave no undertaking.

MR. SAFFMAN: I am sorry. I beg your pardon. I misunderstood, then. I thought he had said that, sir; I am obviously mistaken -- that he was putting these questions because of the papers which have been supplied by Mr. Maudling. May I respectfully ask, sir, if, in the circumstances, my learned friend proposes to put to Mr. Poulson the statements made by Mr. Maudling printed in the "Daily Telegraph" on the 9th of August, which are in direct conflict to the statements put by my learned friend as Mr. Maudling's to Mr. Poulson today.

MR. MUIR HUNTER: There were about two thousand words printed in the "Daily Telegraph".

MR. SAFFMAN: There are indeed, sir, but they start off by saying in some nine words, "My firm earned £1,000,000 for Poulson, says Maudling."

MR. MUIR HUNTER: I think I must be allowed to conduct the case as I see fit, your Honour.

MR. SAFFMAN: I only asked.

MR. MUIR HUNTER: I have endeavoured to put certain points in Mr. Maudling's favour to the bankrupt. I do not think it is really incumbent on me to put all Mr. Maudling's newspaper interviews, which would be really a burden.

4216. Q. Well, perhaps I can take my next point but one now, in answer to Mr. Saffman. It is a question of when Mr. Maudling knew that you were insolvent. Mr. Maudling, in the letter I read today, spoke about your severe cash difficulties. When did he become aware that you were likely to become insolvent? A. The same day that I did.

4217. Q. Which was that? A. It is stated in my narrative, the end of June, 1969.

4218. Q. You mean when Mr. Wilson went to see him? A. Yes, sir.

4219. Q. According to Mr. Maudling, he admits that he saw Mr. Wilson but has no recollection of the --- A. Mr. Wilson told Mrs. King and my wife and I that he had done it.

4220. Q. Yes. Mr. Maudling's solicitors have stated that he cannot recall any particular meeting with Mr. Wilson in July, 1969. "He was, however, in frequent touch with him and does not doubt Mr. Wilson's recollection is accurate." So, you did not tell him at any earlier date? A. No, sir, I didn't know myself.

4221. Q. Well now, do you recall the letter I told you about on Day 3, question 1606? I was putting to you a letter that Mr. Marr, your solicitor, had written to Mr. Bolton which read: "Where does all the money go? I wrote to Poulson at the beginning of June a personal and confidential letter urging him to turn off some of the taps as I could foresee the position would get serious." And I said, "Do you remember receiving such a letter from Mr. Marr", and you said, "No, sir." Well now, we have now found on your own file, which is entitled "Blundell Baker - General", the letter in question, which I am going to show you, dated 1st June, 1968. (Handed to the witness)

MR. MUIR HUNTER: Sir, I have a photograph of it.

4222. Q. It is a very long letter; I just want you to identify that you received it - it is from your file. Can I have it back? (Handed) Mr. Marr says that he is very worried about your position and the tax. He says, "The National Provincial Bank would not help because your drawings were too heavy. I am prepared to accept" - this is page 3 - "that while your personal drawings from the practice are heavy, a large proportion of them have been used to finance I.T.C.S. and other ventures." Would you agree with that? A. Well, certainly, and C.P., but he was a director of these.

4223. Q. He goes on to say, "I know nothing of I.T.C.S., but I am inclined to think it must owe you a lot of money. Unless you take radical steps to stop this expenditure, the situation must get worse and end in disaster. Turn off the taps for the sake of yourself, your wife and your family and staff." Do you remember receiving this letter now? A. Yes, sir.

4224. Q. I do not wish to read more than is absolutely necessary. A. Well, the other is referring to C.P. and the Portuguese contract.

4225. Q. Yes. A. Which was at that time owing about £200,000.

4226. Q. Then he goes on looking at your various companies, and then he says, at the top of page 6, "Prestige may be one thing for you, but is it really essential to have this office? I am embarrassed because I gave you a reference for credit" - that is the Glasgow office. A. Glasgow?
4227. Q. That is right, is it not? A. Yes, I see, yes.
4228. Q. "Does Mr. Maudling, or Sir Bernard for that matter, have any idea of your present financial position? If not, should they not be told? What would be their reaction if you were made bankrupt and your practice collapsed? Whether, if told, they would be able to help you is another matter, but they might walk out." Now, this is a letter from a very old friend and solicitor of yours advising you to tell Mr. Maudling and Sir Bernard of your financial position; did you do so? A. No, sir.
4229. Q. You just snubbed Mr. Marr, did you not? A. No, I did not, because what he didn't know was what we were expecting to come from I.T.C.S. He was very peeved he wasn't on the board of I.T.C.S.
4230. Q. Are you incapable of attributing to anybody motives of sincerity and honour, Mr. Poulson? A. No, sir.
4231. Q. You mean that Mr. Marr, who was now I think 79, could sit down and write a 10 page handwritten letter to you begging you to put your house in order, and all you can attribute it to is a desire to get on to the board. Is that not a shameful thing? A. No, I didn't say that, but he --
4232. Q. Just think -- A. He did not know what I.T.C.S. were doing and he did not agree with I.T.C.S. from the start, because he was only C.P.
4233. Q. In fact, you are saying that because Mr. Marr had not been put on your other company he would give you a lot of false and malicious advice? A. No, I have not.
4234. Q. Well then, now will you tell me why in answer to his advice you did not tell Mr. Maudling and Sir Bernard of your financial position in June, 1968? A. Because I didn't realise it was as bad as now I find it to be.
4235. Q. He told you what it was like? A. But even then he was not in a position to know that, sir.
4236. Q. He was keeping the Revenue at bay, was he not? A. No, sir, he wasn't at that time.
4237. Q. Just think, Mr. Poulson, you do say the most absurdly

reckless things. Look at the beginning of the letter on page 1. "So far, by reason of my friendship with a man in the solicitor's office of the Inland Revenue, I have held the fort, but he has to carry out the instructions of the Board of Inland Revenue. I sincerely hope the cheque for the £60,000 will be met. If it is not I feel sure the Revenue will proceed by way of bankruptcy notice." That is as plain as a pikestaff, is it not? A. Yes, sir.

4238. Q. Why do you say such absurd things, if he was not keeping the Revenue at bay? A. Well, I am sorry, I had overlooked it. This was the front part of the letter; I didn't start it there.

4239. Q. The fact of the matter is this; you never told, according to you, Mr. Maudling or Sir Bernard Kenyon of your financial straits because you thought something would turn up?

A. It wasn't a case of turn up, sir. There was plenty of work in prospect, and it was coming to fruition and there were huge fees due.

4240. Q. Well then, if you turn to page 7, he is dealing with Mr. Pollard, and in the fourth paragraph he says this: "So far as I can gather all the contracts then made" - that is made by Construction Promotion - "have been taken over by I.T.C.S. with the initial costs all charged to Construction Promotions to Pollard's detriment." You remember this is a point I put to you earlier in the day and you would not have it? A. Well, sir, I had no knowledge of this, and I didn't, after all, deal with the apportionments - the accountants did it.

4241. Q. He wrote this letter to you --- A. Yes, I know, but --

4242. Q. And you received it. We know that you received it, it is on your file. A. Yes, sir.

4243. Q. And you replied to it in due course? A. That's right.

4244. Q. And he goes on, "Why should I.T.C.S. reap the benefit of the spadework of Construction Promotions without refunding some of the expenditures incurred," and so forth.

A. Well, as I said earlier, it was entirely because they were a civil engineering organization and they could not do building work, sir.

4245. Q. Well now, the only letter specifically replying to that, which we can find on your file, is the 11th July, 1968, which reads -- Have you got it, 11th July, 1968?

A. No, it isn't here.

4246. Q. I will read it to you, it is quite short. "Dear Mr. Marr, I have been very concerned by the reports of statements made by certain people which have been totally incorrect, and also by your letter to me written just before you went on holiday" - that must be the letter of the 1st June - "which contained statements which were incorrect. Also statements ... " The letter of the 1st June begins, "On Wednesday, 5th June, I leave for a fortnight's holiday." " ... Also statements have been made against I.T.C.S. which I haven't communicated to Mr. Maudling at Sir Bernard's request, as I am sure you would have found yourself in serious trouble had I done so." That seems to be another case of keeping Mr. Maudling in the dark, does it not? You can see the letter if you like, it is your inimitable prose style. A. And the last paragraph as well.
4247. Q. Yes, there was to be a meeting. So, you receive a long letter from your old friend telling you you are insolvent and ought to tell your distinguished colleagues, and all he gets is a raspberry? A. No, sir; I told Sir Bernard, according to that letter.
4248. Q. Yes. But you do not tell Mr. Maudling, do you? A. I didn't.
4249. Q. No. A. Because I didn't agree with it at that stage, that I was, and nobody had suggested it.
4250. Q. On a question of fact, I told you that Mr. Marr had said that he had been removed from Water Reclamation as a result of that letter; do you remember? A. No, sir, I didn't know he was. I thought he was still on.
4251. Q. On the 26th July you wrote to him and said, "When I saw you a week last Monday I asked if you would please send your share certificate for Water Reclamation to Sir Bernard Kenyon." A. Oh, that was because Sir Bernard had taken over the Chairmanship of C.P. and he also wanted to deal with that, because he was the person who said it ought to be closed down.
4252. Q. Yes. A. That was the reason for that, as I am quite sure he will confirm it.
4253. Q. If you saw Sir Bernard Kenyon and Mr. Marr, as described in that letter, did you tell Sir Bernard what your financial position was? A. I must have done, because Sir Bernard -- If we had a meeting about it I am sure Mr. Marr would have. Mr. Marr would --

4254. Q. Did you tell Sir Bernard that you were being threatened with bankruptcy proceedings? A. I suppose so, sir.
4255. Q. And what did Sir Bernard do about it? A. I have not any idea. We had that meeting, I take it, which Mr. Marr --
4256. Q. Did he think that you could scrape through? A. I have no idea, sir. I can't remember what took place at the meeting, when it took place, or where it took place.
4257. Q. Well, there cannot be many times in your life when you have told your old friend and distinguished ex-Clerk of the West Riding County Council that you were bankrupt? A. I didn't say I was.
4258. Q. Well, you had been told that you were bankrupt. Can you not remember telling him? A. The first time I knew that I was in that situation was the end of June, 1969, sir, and I had to --
4259. Q. Did you tell Sir Bernard you were in acute financial difficulties? A. Yes, sir. He knew at that time, because Mr. Marr would tell him at that meeting.
4260. Q. So he knew that you were being pursued by the Inland Revenue for very large sums indeed? A. Yes, but which would still be paid.
4261. Q. But he did not tell Mr. Maudling either, I suppose? A. I don't know, sir, I can't answer for him.
4262. Q. Well now, the last item I want to deal with involves a return to the question of your dealings with your wife. Now, you remember that there were three properties, one of which is your present home at Carleton Green? A. Yes, sir.
4263. Q. The bungalow and two O.S.B. houses. Now, when you were issuing your letters to creditors, were those properties disclosed? A. Sir, I don't know, for the simple reason I never saw the letter which was sent to the creditors until I was shown it in November, 1971.
4264. Q. You did not know that the letter to creditors only disclosed a portion of those properties? A. No, sir. I was never shown it.
4265. Q. Well now, in the event, Mrs. Poulson bought the bungalow, did she not? A. Yes, sir.
4266. Q. Which used to be called -- A. "Cairn Catto".
4267. Q. "Cairn Catto", now called "Clandon". And what did she use

for money? A. I think the best person to answer this question - it is so complicated and he has got all the details from the solicitors - is Mr. Saffman. As you realise, I shall be confusing everybody. I have confused it up to present. I have got even the price of the bungalow wrong.

MR. SAFFMAN: With respect, sir, I think what my client means is that the transaction is complicated. He has misunderstood the question. The question, as I understand it, sir, was what did Mrs. Poulson use for money, not the transaction itself.

4268. MR. MUIR HUNTER: Well, is this the fact, that in the first place Mrs. Poulson bought the property for about £11,000?
A. So I understand.

4269. Q. You mean you do not actually know? A. Well, I told you ten the last time, and that is what I thought it was, but I find I have made a mistake.

4270. Q. Well, then she got a mortgage of £5,000 from the Wakefield Building Society, did she not? A. Again, I unfortunately told you four.

4271. Q. Yes. And the two remaining properties were sold to their occupants, Mr. -- A. No, they weren't. One was sold to an occupant - Clark.

4272. Q. One to Miss McLeod? A. And one to Mrs. McLeod.

4273. Q. Mrs. McLeod. And the effect of that was to discharge the existing mortgage to the Wakefield Building Society on all three properties? A. Yes, sir.

4274. Q. Now, what did Mrs. Poulson do with the £6,000 that she paid for "Clandon" over and above the mortgage? A. I understand it went to Clifford Turners.

4275. Q. Well, it was first paid, was it not, to Moxon & Barker, the solicitors who were acting for her? A. Well, you are telling me.

4276. Q. Did you not know that? A. Well, I can't remember. As I said, this was such a confused transaction now I recall it.

MR. SAFFMAN: Sir, my client I am sure not deliberately, is misleading my learned friend. That is not, in fact, what happened. If I may, it is, as I said, a complicated transaction, sir, which I and Mr. Simpson, who is instructing my learned friend, have cleared up between us, and with my learned friend's permission, if I may just outline

shortly the bare facts of it, and then my learned friend can put such questions to the debtor as he wishes. If he has no objection.

MR. MUIR HUNTER: No.

MR. SAFFMAN: The short position, sir, is that there were three properties on one mortgage, that is the bungalow "Clandon", formerly known as "Cairn Catto", and two houses across the road. The two houses across the road were sold for a total of some £6,250, and there was a mortgage to the Wakefield Building Society on all three properties of £8,774 17s. 8d. which was discharged out of the proceeds of the sale of those two houses to, what I might call, strangers, one of them being Green Close, Carleton, and the sale to Mrs. Poulson of the bungalow "Clandon", formerly "Cairn Catto" for £11,000, which she bought with the aid of £5,000 mortgage from the Wakefield Building Society. I have, sir, what has been supplied to me by Mrs. Poulson, and which I have her permission to put in, a letter to her from her solicitor, Mr. Stringer.

MR. MUIR HUNTER: What is the date of it?

MR. SAFFMAN: The date of this letter is the 9th February, 1971, the first paragraph of which reads: "Dear Cynthia, I regret that this is the third letter accounting to you for the completion of your purchase of 'Cairn Catto', the reason being difficulty in deciding what is absolutely jannock," - jannock being a dialect word, sir, meaning, for the benefit of certain members of the press, the exact, accurate procedure. "Going back to Bedrock, the price is £11,000. You have paid £6,000 in cash to John or his solicitor, and we have obtained a mortgage of £5,000 for you, making the £11,000." So that in fact, sir, the £6,000, according to the letter from Mrs. Poulson's solicitors, was sent direct by Mrs. Poulson either to Mr. Poulson or the solicitors - in fact, I am given to understand from other papers available, direct to Messrs. Clifford Turner & Co. Out of the proceeds of sale, the total cost of expenses of the transaction as purchase; £257 3s. 0d. were debited to Mrs. Poulson, as had been Savile & Kilburn's valuation account and Taylor's account - that was also, I believe, a valuation or survey, sir - of twelve guineas. "As, in fact, the only monies we have received from yourself are

£5,000 by way of mortgage, the deduction of all those amounts in that same ledger card means that John has paid for them, as they are deducted from the purchase monies."

MR. MUIR HUNTER: My learned friend must assume -- I know what happened, I am interested in what happened to the balance. If Mrs. Poulson would like to explain what happened to the balance --

MR. SAFFMAN: Well, I am reading this letter, sir, if I may continue. "I think it is fair that in view of the great amount of work done for John, he ought to pay those costs out of the purchase money. The alternative would be to leave him free of all costs for large amounts of work, which I am sure he would agree would be wrong. I have therefore charged £140 ls. Od., which are the costs of the purchase on the mortgage, to John, leaving you to pay the stamp duty of £110 --

MR. MUIR HUNTER: This is an enormously long letter of which I have a copy. I really cannot see the purpose of reading it on to the note.

MR. SAFFMAN: Sir, I was reading it on to the note because I was not aware --

MR. MUIR HUNTER: I understand what happened. I want the witness to say what he did with the £6,000.

MR. SAFFMAN: Sir, I was reading it on to the note because I understood my learned friend did not know what had happened.

MR. MUIR HUNTER: I have got the letter.

MR. SAFFMAN: I sincerely apologise both to him and to the Court for wasting the Court's time in the circumstances. I thought the questions were being asked for information.

THE REGISTRAR: Now Mr. Hunter has the letter, perhaps he can resume his questions.

MR. MUIR HUNTER: I misunderstood the date that was given; we could not find a date that reconciled with it.

4277. Q. Now, the point of fact is this; ultimately your wife became the owner of a piece of your property, namely the bungalow "Cairn Catto"? A. Yes, sir.

4278. Q. With the aid of a Building Society mortgage of £5,000 and £6,000 cash. Whose cash was that? A. Mine.

4279. Q. Your cash? A. Well, not -- I mean, she paid me with it.

4280. Q. Where did she get the money from? A. What?

4281. Q. To pay the £6,000 balance for her bungalow? A. Oh, not mine, that wasn't mine. I thought you meant the £6,000 surplus, sir.
4282. Q. Where did she get the money from? A. I have no idea, sir. I don't know what her affairs are.
4283. Q. Well then, the question then arose, did it not, what should be done with that sum of money. Now, you had in fact issued letters to creditors in the preceding months, had you not? You may say that you did not know what was in them, but you knew they had been issued, did you not? A. No, sir; I understood that the only letter was in September, 1970.
4284. Q. The point is this; you had issued a letter to your creditors, firstly in July, and then in September, stating that you were unable to meet your commitments; that is right, is it not? A. Well, you say so, sir.
4285. Q. Do you not remember? A. No, I only know of the one instance which I found out was in November, 1971, the one that finally Pannell Fitzpatrick sent out.
4286. Q. Are you saying, Mr. Poulson, at this stage in the day that you did not know that your chartered accountants had issued a letter to your creditors, in fact two letters to your creditors? A. I didn't know, sir.
4287. Q. You mean these letters were issued without your authority? A. Sir, I was not even shown the one that is dated, I understand, September, until 1971, November.
4288. Q. Well, then, they must have been issued without your authority? A. That certainly was, but I don't know about the first one.
4289. Q. By Mr. Bolton? A. Yes, sir.
4290. Q. But Mr. King, we know from the documents, and your solicitors, Clifford Turner, actually corrected and amended the draft. Are you saying they did that without your consent either? A. Look, sir, I didn't know they had done that; you are telling me something I have never heard of before.
4291. Q. Well now, in the letters to creditors they gave particulars of your assets; did you know that? A. No. Well, I expect they did, but I didn't know, because I haven't seen it.
4292. Q. And those particulars did not include the bungalow "Cairn

Catto". Can you imagine why that should be? A. No, I have no idea, sir. I was not aware of it.

4293. Q. And they also stated a figure for the mortgage which was false, in that it had been reduced below what it really was. A. Well, I was not aware of this until you told me.

4294. Q. And, therefore, when your wife was engaged in buying your property, do you not know that she was asked to certify that she had no notice of an act of bankruptcy committed by you? A. I didn't know, sir.

4295. Q. Did your wife not know that you were on the verge of bankruptcy? A. When? I thought you said I had been bankrupt.

4296. Q. No, I am looking at --- A. What date are we talking about, sir?

4297. Q. Would you look at this document dated the 26th January, 1971? (Handed to the witness) Is that a photograph of your wife's signature? A. Yes, sir.

4298. Q. Can I have the file back, please? (Handed) In this your wife declares, "My husband, Mr. Poulson, has committed no act of bankruptcy during the period of more than three months before the date hereof. I am informed by my husband and by his London solicitors, and verily believe, that no act of bankruptcy has been committed or suffered by him within that period. I am aware of the acts of bankruptcy and their meaning as set out in the Bankruptcy Act." Now, is this statement by your wife true or false? A. Well, I should imagine it's true. I am very glad that it also says that they contacted my London solicitors.

4299. Q. No. Is it true that you informed your wife that you had committed no act of bankruptcy? A. I can't remember, to be quite honest.

4300. Q. Not a day passes, I suppose, that you are asked by your wife if you have committed an act of bankruptcy. It is such a very common thing you cannot remember? A. My dear sir, I didn't know it until it actually happened.

4301. Q. Well, is this letter true or false? I suggest to you it is true, because your wife is presumably an honest woman and she did ask you if you had committed an act of bankruptcy and you said no. Is that not the case? A. It would appear so, and also my London solicitors.

4302. Q. Did your wife know you were in financial difficulties?
A. Yes, sir.
4303. Q. Did you see any of the letters that her solicitor, Mr. Stringer, wrote to her? A. No, sir.
4304. Q. Did she ever discuss them with you? A. She did these transactions all on her own, she has done all her own private affairs; they are entirely her own.
4305. Q. But you must in the event have signed the conveyance, must you not? A. At the end, yes, sir.
4306. Q. So, you knew that what was afoot was a plan to remove this house from your assets, conceal it from your creditors and give it to your wife? A. No, sir, I did not, and I didn't know what --
4307. Q. What did you think was going on? A. I thought it was a normal transaction, and they had taken the precaution of an independent valuer so that it was absolutely correct.
4308. Q. What was the object of the transaction? A. Well, for a house for her. We were moving out of "Manasseh", so that could be sold for the benefit of the creditors.
4309. Q. You mean that could be sold for the benefit of the creditors, but not "Cairn Catto"? A. Well, she paid more than what was, I think, the market price at that time; and the Building Society did not use their own valuer, they had an independent valuer so that it could be absolutely without question.
4310. Q. Well, what I am going to suggest to you, in the first place, is that this was a deliberate attempt to put this house beyond the reach of your creditors? A. That was not correct, sir.
4311. Q. Having done that, a sum of £6,000 was produced, was it not?
A. Who by?
4312. Q. By your wife apparently? A. I am sorry, I thought you meant -- Yes.
4313. Q. And then what was done with it? A. It was sent to Clifford Turner, I understand.
4314. Q. And what was the object of that? A. Well, they were acting on my behalf and all sums of money were sent to them.
4315. Q. And they knew that you had issued letters to creditors?
A. They must have done, because they, I suppose, vetted them.

4316. Q. Yes. And they knew, therefore, that you were in an insolvent condition and had committed an act of bankruptcy, though whether it was still available we need not concern ourselves about; is that right? A. It would appear so, but I am amazed to hear that a firm of that reputation ---
4317. Q. Let us leave Clifford Turner's reputation for them to look after, shall we? Now, just concentrate on this money, this £6,000. It is the last really large sum of money at your disposal, and it was sent to them with what instructions? A. I have no idea. It was sent by Moxon & Barker. It wasn't by me, was it?
4318. Q. Was it with your consent? A. I don't even think they discussed it with me.
4319. Q. According to a letter from Clifford Turners, who are now no longer enjoying the benefit of Mr. Grimwood's presence, dated the 23rd August, 1972, the senior partner says: "The balance of the purchase price of £6,000 was sent to us without reference to the creditor position. This was put on a special deposit account here." Well now, what did you know about that? A. I didn't know until it came back, sir.
4320. Q. How did it come back? A. A letter from Clifford Turners.
4321. Q. I mean, did you ask for it? A. No, sir.
4322. Q. Are you quite sure? A. Well, I don't remember asking for it.
4323. Q. How often do you ask your solicitors to send you a sum of £6,000? Could you forget? A. Oh, yes, sir. All the time we were dealing with amounts ---
4324. Q. I will continue the letter: "From an entry in March, it would seem that Mr. Poulson confirmed that he wished us to send him the money, and we, therefore, took it off deposit and sent him a cheque for £6,000, plus accrued interest." So, according to them, you asked for it; is that right? A. I wouldn't know, sir; I can't remember. If I did, I would have done it at the request of Scott, I expect, because it was used for, as you know, for a specific purpose later.
4325. Q. I have told what it has been used for. But the point is, you say you do not remember asking for it? A. No, sir.
4326. Q. Just arrived like Father Christmas? Well now, according

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to a letter from your solicitors dated the 4th September, 1972, dealing with question 1928, at that question, on Day 4, I was asking you about this matter, and on the subject of the £4,000 you undertook to find out about it, and then you gave an account of this, and at 1929 I said to you, "So she" - that is your wife - "is £4,000 to the good, is she not?" Answer: "Yes." And you said, "She claimed some of it ... and the balance was paid to the Revenue." Did your wife claim some part of this £6,000 for herself?
A. No, sir. I find that was incorrect, as you know.

4327. Q. Then Mr. Saffman has told us this; "The sum of £6,000, plus interest, was used in payment of the Department of Health and Social Security of £2,660 and £2,910, and a payment of £500 to the Sheriff's Officer in respect of an execution creditor." Well now, you must have known that you were pressed for money and that must have been why you asked for it, must it not? A. I certainly must have been advised to, as far as the Social Security was concerned, because I had left the firm by then.

4328. Q. Advised by whom? A. Well, obviously either Scott or Grimwood, or somebody, because I wouldn't even know ---

4329. Q. There was to be a prosecution of Ropergate for non-payment of insurance stamps, was there not? A. Yes, sir.

4330. Q. And it was to prevent that happening, was it? A. I should imagine so.

4331. Q. Your wife is, I think, a Justice of the Peace of this Bench, is she not? A. She was.

4332. Q. And you did not wish to be prosecuted in her own Court, I suppose? A. That never was even thought of.

4333. Q. Now, Ropergate's debts were not your debts, were they? A. Yes, as the main shareholder, surely.

4334. Q. No, no. It was not a debt owed by you to the Social Security, was it?

MR. SAFFMAN: If I may --

4335. MR. MUIR HUNTER: Please. A. Well, I understood it was, sir.

4336. Q. Who told you that the debt owed by Ropergate was a debt owed by yourself? A. Nobody told me; I took it that it was because I was the major shareholder in it.

4337. Q. And the fact of the matter is that from the issue of the letters to creditors, you had been asking your creditors

to hold their hands and not proceed against you on the basis that whatever could be done for them would be done -- that is roughly what it says, is it not? So that here we have you spending your last £6,000 on paying somebody else's debts. Why is that? A. I didn't think it was somebody else's debt, it was mine as far as I was concerned, sir.

MR. SAFFMAN: Sir, I must interrupt. The position is this, as I understand it, and I am open to correction. First of all, Mr. Poulson was, in fact, prosecuted and pleaded guilty; and secondly, the debt of a company is a debt for which a director has a personal liability, and it was his debt --

MR. MUIR HUNTER: I do not wish to argue the law.

4338. Q. The fact of the matter is you used this money to pay some of your debts to the detriment of your other creditors, did you not? A. It would appear so, sir, but I didn't know that the letters had been sent out to the creditors at that time. I don't know what the date of this payment was -- some time in June I suppose.

4339. Q. Well, Mr. Saffman has not given me the actual dates, but I think are some cancelled cheques. A. It was certainly well before the September letter to the creditors.

4340. Q. No, no. This is in 1971. A. No. What, these payments were made?

4341. Q. Unless Mr. Saffman is mistaken and has confused this with another set of payments, you did not receive this money until March, 1971? A. Well, I am sorry, I thought it was the previous year.

4342. Q. It was apparently some time in May, 1971. A. Well, of course, it must have been because we didn't -- my wife didn't buy the bungalow until February, 1971.

4343. Q. So that, in fact, you and your wife were responsible for dealing with this asset in a way that was prejudicial to the creditors? A. My wife didn't have anything to do with this, sir. She can't be blamed for this, sir.

4344. Q. You mean, although she did all this business of transferring the house to herself without your co-operation at all, you regard her as not in any way responsible for what happened? A. What happened to that money, the distribution of it, no, sir.

MR. MUIR HUNTER: Sir, I have had an opportunity of referring

to the question of further hearings of this matter, but I am not in a position to say, having regard to the continued undertakings that the debtor gives to clarify matters and the continued matters which arise from investigation, whether the Trustee will have anything further subsequently to ask, but I would ask the Public Examination be adjourned to a date which I think your office has suggested as the 20th November. If the Trustee should not require any substantial part of that day, perhaps we may be allowed to inform your office and the Official Receiver may be able to make some use of the rest of the time.

THE REGISTRAR: Yes. This Public Examination is adjourned until Monday, 20th November.

MR. SAFFMAN: Before you adjourn, sir, if I may, there are two matters. First of all, this morning the debtor undertook to attempt to identify certain names on the lists, and during the luncheon adjournment, for reasons beyond anybody's control, it was not possible to supply me with those lists. May I therefore ask, sir, that they be sent to me in due course so that the undertaking can be complied with.

Might I ask, sir, if there is a "stop" order on the evidence of the Wakefield Building Society which has been obtained, or if that can be made available to me at this stage?

THE REGISTRAR: What is the Trustee's view of that?

MR. MUIR HUNTER: Well, the matter was entirely formal, I would certainly have no objection.

THE REGISTRAR: That is to say you have no objection to the evidence being ---

MR. MUIR HUNTER: The evidence of Mr. Robinson which was taken.

THE REGISTRAR: Do you have the exhibits?

MR. MUIR HUNTER: We have the file.

MR. SAFFMAN: Well, as long as there is no objection to me having them, sir, I have no doubt in due course I will be supplied with them.

MR. MUIR HUNTER: We will make the file available, with the Court's leave, to Mr. Saffman.

MR. SAFFMAN: There are also further points, sir. I did on a previous occasion raise the question of other examinations being made available to me, and you said you would consider

the matter. As I understand from my learned friend that his examination, subject to what may be discovered, is, as it were, all but completed, I would like to renew that application, sir, now. The Official Receiver has indicated to me that in due course he will require again to examine the debtor. There is, of course, as I have indicated, also my re-examination ultimately, and these files, in my respectful submission, should be made available on my undertaking, of course, that they will not be disclosed, so far as I am concerned, other than to the debtor personally.

THE REGISTRAR: I can only think that there is the examination of Mr. Smith that will be of any value to you.

MR. SAFFMAN: I do not know what examinations there have been, sir.

MR. MUIR HUNTER: Sir, I must respectfully object to this application. My recollection is that Mr. Smith's examination has already been made available to Mr. Saffman, and it would be entirely contrary to the practice under s.23, where the transcript is not even given to the witness without special circumstances, that the debtor should have a roving commission over all the private examinations that the Trustee has undertaken. Unless and until some particular passage is used against the debtor, then that passage might be made available to the debtor's advisers. Therefore, I respectfully oppose this application.

THE REGISTRAR: I think my recollection is that no passages, apart from those in Mr. Smith's evidence, have been used.

MR. MUIR HUNTER: That is so.

MR. SAFFMAN: Well, sir, I can only repeat my application and say that in the particular and peculiar circumstances of this case - and I do not want to repeat the reasons I gave in my application, sir, at the beginning of the third day - I would submit that it is important and in the interests of justice that at some stage I should have available to me all the evidence in this matter which has been taken. Now, sir, if there is a prosecution, it is the proper practice that the police would make available to me any statements which they have taken from witnesses whom they do not propose calling. In this case, sir, there will be evidence taken from witnesses who possibly the police will not call, and therefore they will not make the statements

available to me. If you rule that I am not entitled to them, then, of course, I would not be able to have them under any circumstances, but it is my understanding, sir, that a "stop" order is a special order which is imposed in special circumstances. If the Trustee's examination has finished, and consequently there is nothing in that evidence which he wishes to have hidden from the debtor until he has had an opportunity of testing his credibility on it, then I would submit -- Certainly, sir, this application is made because I assume that the Trustee's examination has finished, and if, in fact, it has not, it is a different matter, but certainly if the Trustee's examination is finished, I would submit that those documents should be made available to me and to the debtor.

THE REGISTRAR: You mean the Trustee's examination in the Public Examination.

MR. SAFFMAN: No, sir.

THE REGISTRAR: The Trustee's examination in the private examinations.

MR. SAFFMAN: I have the transcripts of the Public Examinations. I am talking about the private examination of witnesses, sir, about which I know nothing, other than I have read in the press or that has been disclosed ---

THE REGISTRAR: I can say now that none of those private examinations are concluded.

MR. SAFFMAN: With the greatest possible respect, sir, that is not necessarily a reason, as they may never be concluded. They can be, perhaps, adjourned and be re-instated if the Trustee or those advising him so wish.

THE REGISTRAR: I can say now that dates have been fixed for them to be resumed.

MR. SAFFMAN: As you please, sir. In that case I shall renew my application on the 20th November.

MR. MUIR HUNTER: I think, sir, I should draw your attention, as a matter of law for the assistance of the Court, to the practices set out in Williams at page 133, where it is stated, accurately I believe ---

THE REGISTRAR: Page?

MR. MUIR HUNTER: 133, under the heading "Copy of deposition - when allowed." "A witness, that is to say even a witness as such, has no right to a copy of his own deposition

unless the Trustee gives notice of intention to use it against him." I do not doubt there is a special power to give leave to inspect them, but I would regard it as entirely contrary to the principle and really quite unprecedented for the bankrupt to be allowed to see examinations of persons who would not even be given a copy of their own transcript. It really does require the very strongest evidence, and if Mr. Saffman keeps on saying that Mr. Poulson is going to be prosecuted, then I feel it is a regrettable thing to say in open court. Let us see what happens.

MR. SAFFMAN: I know my learned friend has had a long, hard day, sir. I am sure that what he has read from Williams is absolutely correct, as is the sentence, "All depositions of proceedings must be filed and any person named in bankruptcy (rule 15) namely the Trustee, the debtor or a proved creditor or their representative or any other persons, by special leave, appear to have an absolute right to inspect them."

MR. MUIR HUNTER: Subject to there being a "stop" order.

MR. SAFFMAN: Subject to there being a "stop" order, of course, but the fact is, sir, that the debtor has an absolute right to inspect them unless there is a "stop" order, and I quote the last sentence of that paragraph: "Inspection of the deposition on the file by any person may, however, be prevented by obtaining ex parte from the Registrar a "stop" order which prevents inspection without the leave of the Court," and I am asking, sir, for the leave of the Court.

So far as the question of prosecution is concerned, it is regrettable, sir. I do not think that there will be a prosecution because I have said that there will be; learned counsel for the Attorney General made it clear that there was every possibility ---

THE REGISTRAR: He said that there was to be an investigation.

MR. SAFFMAN: No, sir, it was a government announcement that there was to be an investigation. Mr. Slynn made it clear that he could not agree with my learned friend Mr. Hunter, who on previous occasions has said he could see no reason why there should be a criminal prosecution of the debtor, other than bankruptcy offences, and that, in the opinion of Mr. Slynn, Mr. Hunter was wrong. I must work on the assumption, sir, that there is to be a prosecution. If

there is not, then there is not; but I look, sir - and I have noticed it this afternoon for the first time - at, I think, with the greatest respect, the most appropriate thing which I have ever seen in any room used as a court of law, and that is the motto which appears on that fireplace, sir: cede nullis - give nothing. I must give nothing. I must assume that everything will happen, and in those circumstances, sir, it is my respectful submission that it would be a denial of justice if the evidence of witnesses in the bankruptcy proceedings was not made available to me and the debtor. If the examinations are not finished and it is proposed to finish them, as opposed to being adjourned generally, then, of course, sir, I would renew my application in due course, and I will leave it at that; but to deny an inspection of them is the exception to the rule rather than the rule itself.

One final point, sir, and that is this: that it was put to the debtor in examination by my learned friend earlier today that he had denied that there was a contract with Mr. Pottinger. When I asked for the number of the question in the transcript my learned friend left the point and said that one of his learned juniors would find it for me. May I take the opportunity of reminding them that it has not been found, if that matter is to be raised.

MR. MUIR HUNTER: It was yesterday.

MR. SAFFMAN: Oh, I see.

THE REGISTRAR: Very well.
