

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 29th day of January, 1973.

Tunbridge
5599 to
5639

PRESENT:

- THE OFFICIAL RECEIVER: Mr. W. A. Bishop.
- FOR THE TRUSTEE: Mr. Muir Hunter, Q.C.
Mr. D. Graham.
Mr. M. 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. SAFFMAN: May it please you, sir; before my learned continues with his examination, may I, with your permission, make a short statement about a matter of public interest?

THE REGISTRAR: Yes.

MR. SAFFMAN: It concerns the television programme which was to have been transmitted tonight by Granada Television. I would like to say two things, sir, with regard to this matter. First of all, in view of the questions which were put to the debtor on his last examination with regard to an interview which was transmitted by the B.B.C., may I say that this programme prepared by Granada was prepared without either the knowledge or co-operation of the debtor or myself. We have had nothing to do with the preparation of it and know nothing of its contents. It follows from that, sir, that both I and I am sure my learned friends would be anxious to know what was in it, but at this stage we do not know. May I also say, sir, both personally and on behalf of the debtor, that so far

Registrar.

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

as we are concerned - and bearing in mind that we know nothing of its contents - that we are very much opposed to any ban on the publication of the programme.

THE REGISTRAR: Well, as I understand it from the papers this morning, the programme is not to be transmitted, is it?

MR. SAFFMAN: I understand that the position is now in some doubt, sir. Perhaps it depends upon which paper one reads.

MR. MUIR HUNTER: The debtor is still under oath, sir.

THE REGISTRAR: Yes. Before you begin, Mr. Hunter, I noticed particularly, reading through the transcript of the last day's proceedings, that a lot of time was lost, first of all, by Mr. Poulson not allowing you to finish your questions and, secondly, by attempting to avoid the question. Today, Mr. Poulson, allow Counsel to finish his question and then answer it.

MR. MUIR HUNTER: Sir, before I re-commence my questioning of Mr. Poulson I should like to bring two matters to your attention. The first thing is that after the last hearing you would be aware that an article appeared in the "Sunday Times" newspaper containing a statement giving the names and amounts - not always accurately - of persons who had paid, or agreed to pay, money to the Trustee, or repay money to the Trustee in connection with their transactions with Mr. Poulson, and I inform you - as my learned friend Mr. Saffman has - that those advising the Trustee had nothing to do with that list and its source is not known.

However, the statements are now in the public domain and I think that I may, on instructions, state that the total recoveries to date, received in cash or guaranteed as good as cash, amount at present to £165,000, including a sum of £130,000 which was referred to in that article - though not very accurately - as coming from a City consortium, and who, despite the disclosure of their identity, have agreed to stand by their offer and have signed a binding contract to pay in relation to their transactions with Mr. Poulson's assets.

Mrs. Poulson, who has been privately examined by the Court, has through her solicitors indicated that she proposes to make a substantial offer, the amount of which I cannot at the moment disclose, towards the recoveries, and there are other recoveries still on foot whether by litigation or by negotiation.

The next matter I wish to refer to is this. If you cast your eye behind me there, you will see a great deal of material. This is, in fact, not the bundles of files to which the Court has become accustomed; they are all new recoveries. In the course of last week, as a result of certain information, we paid a visit to the former offices of Mr. Poulson at Pontefract. The Trustees removed something like 300 files, the existence of which was not known.

We were followed, I understand, by the Official Receiver, and he removed what I understood to be 18 cwt. of files but I believe is now 6 tons.

We have, in fact, read all the material which has been recovered by us, and it covers a very large area of new ground, and some areas of old ground which are now newly upturned, and therefore it will be necessary for me to return to some of the subjects which I have previously asked the debtor about with a view to putting his answers in a rather different perspective.

I need hardly say how much I and those instructing me regret the piecemeal recovery, often by mere chance, of important areas of documentation, of which Mr. Poulson has so far represented himself to be almost entirely ignorant. I mention, for example, the correspondence with Bovis Holdings, which is in front of me, which are two very substantial files; correspondence with Arndale; correspondence with Mr. Dan Smith, of which Mr. Poulson professed himself entirely ignorant; correspondence with Mr. Tunbridge and the British Railway network, and small but interesting areas of correspondence with Mr. Shea of the Leeds Regional Hospital Board, and Mr. Jeffrey of the Ministry of Transport. Some of these matters I shall have to refer to today.

But perhaps the most interesting recovery in the sense of its bearing on an area which I have had to concentrate something on, is with regard to Mr. Pottinger.

I should also mention that we have, of course, recovered also some substantial areas of files covering Beirut and the Middle East, of which again we were unaware.

The matters with which I wish to deal today, so far as the time will permit, are, in relation to Mr. Pottinger, both Mr. Pottinger's house, his drafting of letters for Mr. Poulson, his drafting of political speeches for

Mr. Poulson, and his assistance to Mr. Poulson in connection with the Aviemore project. The transaction between Mr. Poulson and Mr. Tunbridge of the British Railway network; the transactions between Mr. Poulson and Mr. Dan Smith and a number of outlying stations and Bovis Holdings; certain areas of holiday gifts; certain presentations of valuable objects to ministers and public officials in connection with the opening of projects; and Beirut, if time permits.

I have also some material on Leeds Corporation - the construction of the swimming pool - which we may refer to, again if time permits.

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

5325. Q. Now, Mr. Poulson, you will have learned from what I have just said to the learned Registrar that we have now discovered a great deal of documentary material from your former office, much of it in the form of personal files. Were you not aware of the location of these files? A. Sir, I gave you all the files that I had in my possession and I am not aware of any of these. I don't know what was there. I thought they were destroyed.
5326. Q. When we speak of "your possession", Mr. Poulson, do you mean your physical possession? A. I had a filing cabinet with four files in, and that is what you have had, and the others belonged to I.P.D. and nothing to do with me. I haven't been in that office, remember, for over three years.
5327. Q. I am holding in my hand files such as "Poulson private file"; "T. Dan Smith - October, 1963, to December, 1964", and then a miscellaneous file covering a large area including, if I may take one interesting exhibit -- do you remember the Dr. Hepworth promissory note which I asked you about?
A. Yes.
5328. Q. Which you could not remember what had happened to it.
A. No.
5329. Q. Well, we have found it, and we found it in an envelope on which is typed, according to Mr. Marr's instructions, "I agreed with Dr. Hepworth that I would never collect this money". How did that come to be left behind so that you were able to say that you had no idea where it was?
A. I had no idea, and I didn't know it was in existence until you said so. We are talking about things ten years ago, sir.

5330. Q. Yes. I am not going to ask you about how old things are; I am asking you why they were left there. A. I didn't know they were there. Things were put away, I suppose, each year and I didn't know what happened to them. After all, this wasn't one person, two staff; there were 500 people in that building.
5331. Q. But, surely, confidential files --- A. Surely, they can't have been, the result is, because they have been found by you. The confidential files that I knew there were, they were in this filing cabinet.
5332. Q. You mean files passing between yourself and Mr. Dan Smith, setting out in the greatest detail the nature of Mr. Dan Smith's organisation, would not be a file that you would --- A. From the dates that you quote, it is now ten years ago, 1963; that's why.
5333. Q. At any rate, we have now found them and we must do our best to straighten out the record. Well now, I want to come to Mr. Pottinger and to remind you briefly of what you have said about the building of Mr. Pottinger's house. Now, you know, do you not, that the Trustee is suing Mr. Pottinger for £21,000, being the sum contributed by you to the building of that house? A. No, I didn't know. You said you had been suing him previously; you didn't mention any figures, I don't think.
5334. Q. And when I asked you about these matters and you looked at the list of payments, you said that this was all the fault of an unfortunate assistant, by whom I think you mean Mr. Richardson, who did work without approval. You said that Mr. Pottinger could not have had £21,000; you were embarrassed, and £10,000 of this was errors. I am referring to passages --- A. £10,000 was a gift and the rest was ---
5335. Q. £10,000 was a gift and you said £10,000 were errors. Let me remind you about it. Day 2, question 1309: "So £10,000 of the £21,000 is compensation to him for building mistakes? A. Not compensation; they are an acknowledgment of mine that these things happen". "Q. Right; and what is the rest? A. Gift, as it was." "Q. How do you mean 'a gift'? A. Yes". "Q. You see, it is paid in a funny sort of way. A. It is paid to the builder." And then at question 1316: "... ten thousand I thought I'd given him ...". Well now, Mr. Poulson, I

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suggest to you that those statements are not only inaccurate but they are positively false.

MR. SAFFMAN: Sir, before my friend gets his answer to that question, I would say, with respect, that in fairness he ought to quote the whole answers. To 1313, Mr. Poulson said, "I should have to check all these up, sir. I can't remember these, and the £2,000."

MR. MUIR HUNTER: Would my friend bear with me; I will be quite fair with the witness.

5336. Q. Mr. Poulson, you must be aware by this time that we have done all the necessary investigations and calculations. Do you now wish to say, before it is put to you that you have made specific false answers, anything more about the building of Mr. Pottinger's house? Why it was done?

A. I have not made false answers. Mistakes were made, and there were mistakes later made by the same man on Aviemore, and I did the same there, and they can be obtained.

5337. Q. Now, Mr. Poulson, what you have in front of you is an analysis of the payments made on Mr. Pottinger's house, each one of which is represented either by a cheque, copies of which we have, or by an entry in your books, or both. A. Do I take it that all these are cheques of mine?

5338. Q. Yes. A. Well, I mean, I didn't know.

5339. Q. Would you look at the schedule? You will see the first is the date. The Official Receiver's schedule I think has not been put in. Then there is a description of the purpose of the payment, and then there are three columns as to the source: the first column is yourself, the second column is the Wakefield Building Society, and the third column is Mr. Pottinger himself. A. What?

5340. Q. Would you look at this list? You will see that until your failure at the beginning of 1970, Mr. Pottinger did not provide one penny of his own, did he? A. Well, I didn't - I wasn't aware of this until now, sir. Whether you believe it or not, I am not interested, because it is the truth.

5341. Q. Well now, let us start at the beginning. A. I am staggered ---

5342. Q. We simply find "Pottinger - new house" in your cash book, £297. This may be some kind of deposit, I do not know. A. Well, it couldn't be a deposit, sir ---

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5343. Q. 1963/64. Now, the next item, 26th April, 1966: "Purchase of land from East Lothian County Council, £1,650". You actually bought and paid for the land on which the house was to be built? A. Yes, sir, and I am aware of that.

5344. Q. Why? A. For the simple reason he did not want to cash in some shares that he had at that time.

5345. Q. Your reason for buying --- A. That was a loan.

5346. Q. -- a piece of land on which a prominent civil servant was to build a house was to avoid the necessity of his cashing some shares --

MR. MUIR HUNTER: I have no objection, sir, as there is a lot of detail here, if you thought it right for the press to have access to this document in due course. It is, in fact, a court document.

5347. Q. Then we get a series of payments, do you see? Now, when it says, "Dennis, Certificate No. 1", and so forth, Dennis are the principal builders of the house, are they not?

A. They were the general contractors.

5348. Q. Angus are the heating contractors? A. One of them.

5349. Q. And the electrical --- A. The one that went bankrupt.

5350. Q. I know, possibly because you did not pay their bill?

A. Nothing to do with that, sir; and there you are, interpreting things that are totally incorrect and misleading. I object to this strongly. It is the inefficiency of my own department, recommending people they had not investigated.

5351. Q. I see. And then you see Crockett; that is another contractor, is it? A. It is -- I believe I am correct in saying it is the other - second one that went bankrupt.

5352. Q. And then Harvey is a painting contractor? A. Well, I didn't know. I asked you that last time. I didn't know.

5353. Q. And then about eight items from the bottom there is a mistake. Take out from "1.10.68, Dennis" and leave it as mortgage instalment query. You see, there are items of £163, £326, £320 and £320. These are all apparently payments of mortgage instalments at the rate of £163 a month. A. Well, not by me, surely?

5354. Q. Yes. We have all the cheques. Now, when we get to the bottom we find that there are arrears of mortgage instalments of £860 in March, 1970, and this was taken up by Mr. Pottinger in the form of an additional mortgage. A. Well, I'm not aware of this, sir. I don't know anything about

this or these mortgage subscriptions.

5355. Q. And then "Arrears of mortgage instalments" is followed by "Central heating bills (?) - further mortgage for £1,300".

A. But I am not aware of all this.

5356. Q. Now, no penny of that sum, as you see, so far as we are aware, is paid by Mr. Pottinger himself. A. Well, according to this statement, but I am not aware of this until you present it, sir.

5357. Q. Now, to be fair to yourself, we do not know exactly the position about mortgage instalments in 1969 and 1970. It may be that Mr. Pottinger did pay two or three then. Well, now, where in this list of payments do you say that the errors arose which led to your having to pay money? A. As far as I am concerned, sir, he was going to --. This house was about £20,000, and he was going to pay £10,000 and I was going to make him a gift of £10,000; and I still say that I knew not the cost of this house - or nobody did - until it was finished and he had been in occupation. I never saw it in course of erection.

5358. Q. Now, the payments to Messrs. Dennis amount to £20,607. Do you know that the contract with Messrs. Dennis was for £20,293? A. I did at the end of the job, sir, when the final account was prepared.

5359. Q. So that there is no over-spending there? A. I don't know whether there is or there isn't.

5360. Q. Would you like to do a small sum? A. No, sir. You can't do it that way. You can only do it in seeing what was included in the original thing, and I know that there was a reduction on the - a bill of reductions at the beginning. As to all the details, well, this doesn't show it, of course. You cannot make an assessment on what the figures are from this statement. All you can make from this statement is my horror to find out that in all these payments there is not one in the third column, and this is -- I have never --- I would never have believed it until you tell me, or show me.

5361. Q. Have you got a list of the cheques before you? A. No.

5362. Q. You should have some cheques attached. Look at page 4 and the bundle of cheques attached to that document. Those are cheques signed by yourself, are they not? "W. G. Pottinger, £163". A. Which is that in?

5363. Q. The 1st October, 1968. A. Yes.

5364. Q. That is exactly equal to one month's mortgage instalment?
A. Yes, it is.
5365. Q. And then the next cheque for the 6th November is £326, which is two instalments. A. Yes.
5366. Q. How did you come to send those? A. I didn't know that they were for that, sir, or I forgot. I don't know anything about it, sir, so it's no good saying I do.
5367. Q. Why -- A. I can't remember to '68.
5368. Q. Why should you pay the under-Secretary of the Scottish Office's mortgage instalments? A. I didn't know, sir; I didn't know I had paid any, and I'm absolutely horrified.
5369. Q. But you know perfectly well, Mr. Poulson, that you were written to by your friend, Mr. Bill Robinson, the General Manager of the Building Society, to tell you that Mr. Pottinger's instalments were in arrear. A. I don't remember, sir.
5370. Q. We have a letter. A. Well, I'm sorry, but I still don't remember.
5371. Q. You also know, do you not, that Mr. Pottinger did not, until after your failure, execute the necessary banker's order? A. No, I don't know.
5372. Q. For the payment of the instalments. A. No, I don't know.
5373. Q. So that as far as we can see, all the instalments until your failure were paid very late, very unpunctually, by yourself? A. Well, I wasn't aware of it, sir, and I haven't been aware of it until now you are pointing it out. When I saw this, I didn't believe it until you produced these cheques.
5374. Q. I have a personal letter from Mr. Robinson of the building society to you dated the 2nd February, 1970, saying, "Dear John. Before I have to get tough with Mr. Pottinger, I feel I should acquaint you as a Member of the Board with the present unsatisfactory state of his mortgage account, about which I wrote him a personal note some weeks ago. Inclusive of the sum of £163.6.8d. which fell due on the 1st February, Pottinger owes £653.6.8d." He says he will have to issue him with a writ. Well now, just so that you can apply your mind, Mr. Poulson, prior to the construction of this house, Mr. Pottinger - who was an Under-Secretary at a salary of £5,250 a year - was living in a leased

property at £480 a year, and when he entered into this mortgage he assumed a liability to pay £163 a month, which, as you will see, is about four times his previous rent.

Was he able to pay that sum? A. Sir, I knew nothing of Mr. Pottinger's financial affairs, and you are telling me rents that I don't know anything about; and this letter, I would remind you, is February, 1970. There's no wonder I don't remember it. Your friend Mr. Grimwood ---

5375. Q. Do you not remember that Mr. Pottinger sent you the building society application form about which you had --- A. Yes, I did.

5376. Q. Asking what his resources were, and he wrote to you on the 12th April, 1967, "I do not at present have any resources of this kind". Why, then, do you make foolish answers like that? Look at this letter. (Handed to debtor). You have seen it, I assure you. Now, Mr. Poulson, that shows, does it not --- A. May I read this? I haven't even got to the end of the first sentence. The purchase price is given as £21,000, I see.

5377. Q. I beg your pardon? A. The cost of the house is given here as £21,000.

5378. Q. That is right. A. I haven't seen this letter before. You haven't produced it, have you?

5379. Q. I did show it to you, Mr. Poulson; perhaps you have forgotten, but never mind. A. I don't think I have ever seen this letter, sir, before.

5380. Q. May I remind you of the history of the contracts --- A. I have only got as far as the £21,000 up to present.

5381. Q. Very good; read on. A. He has referred to this before.

5382. Q. Now, turn back to the second page again, would you, and look at the last paragraph? A. Yes. You have referred to that before, sir.

5383. Q. He refers to your "inexplicable generosity". Now, Mr. Poulson, I put it to you, the only possible inference from these documents and papers is that you had undertaken to provide for Mr. Pottinger the purchase price of the land, the whole of the construction costs, the whole of the architect's fees, and the whole of the mortgage instalments, and that Mr. Pottinger was not to pay a penny of his own? A. That is not correct, sir.

5384. Q. And that this inexplicable generosity covers the whole of this project? A. No, sir.

5385. Q. I further put it to you that the whole object of this operation was to confer upon Mr. Pottinger a new house built on a piece of land entirely at the cost of yourself and of the building society whose instalments were to be paid by you.
A. No, sir.
5386. Q. You tell me one piece of evidence to the contrary of that proposition? A. The only thing I tell you is what I have already told you. I certainly -- It was never any part of any agreement that I had with Pottinger, and until you point out this in this memorandum today which you have had prepared, I wasn't aware Pottinger hadn't paid £10,000.
5387. Q. Well now, just let me remind you of the history of the tenders in this matter, all of which are extracted from your office files. The first tender for this house was £28,000; an estimate was made by yourself. The first tender ---
A. Not by myself, sir.
5388. Q. Well, by the Poulson organisation. A. That's a different thing.
5389. Q. The first tender was £37,000 odd. The next tender from Dennis was £27,302. Did you think Mr. Pottinger ---
A. A catalogue of inefficiency.
5390. Q. Never mind. The inefficiency has nothing to do with the tender. A. You said there wasn't any when you opened these remarks.
5391. Q. No; I said there was a tender by Dennis's for £27,302. Could Mr. Pottinger have paid any part of that sum?
A. Paid any part of what sum?
5392. Q. Of a sum like £27,000. A. But, sir, I wasn't aware of these facts that you are putting to me now.
5393. Q. Was he able to pay that? A. Out of what?
5394. Q. Out of anything? A. Well, as far as I know he could have done; he raised £10,000.
5395. Q. I see. A. I expected it.
5396. Q. Well, then, the Dennis tender of £27,302 is split into £20,293 - which is the contract you made - and the remainder, £7,000, is taken out to be covered by separate heating and electrical contracts which I have mentioned. A. Because they would not have further tenders at that time, which is the usual procedure.
5397. Q. Now, you will see from what I have just put to you that Messrs. Dennis were not paid any substantially greater sum than their contract. That is right, is it not? A. It would appear so.

5398. Q. Now, do you remember being consulted during the construction of the building? A. No, sir. I don't remember anything about this.
5399. Q. The first certificate was delivered in March, 1967, by Dennis and was not paid. Do you know that? A. Well, you say so; I don't know.
5400. Q. On the 5th May, Messrs. Dennis wrote to you saying, "Pay up or we will leave the site of the works". Did you know that? A. Well, I don't know until you tell me, sir. I can't remember what letters ---
5401. Q. As a result of which they got £3,500? A. Which, according to this, I paid.
5402. Q. That is right. The second certificate, which was delivered in August ---. You are not denying that you paid this money? A. No; I said, "which obviously I paid," sir. I'm only going by what you have got here - and I expect they are here.
5403. Q. Well, if you sent £3,500 to Mr. Pottinger on the 9th May, it was for paying the certificate, was it not? A. Yes.
5404. Q. Why did you pay that? A. Well, I said I would pay £10,000 so I was getting it done, I suppose. It was quite simple.
5405. Q. And the second certificate was £4,150, which was paid on the 4th August. A. Yes; and then I didn't pay any more until March, 1968.
5406. Q. And then in November, 1967, Messrs. Angus, the heating engineers, stopped work on the site for lack of payment. A. Well, the reason for that, sir, was he was advised not to pay because we heard they were going bankrupt.
5407. Q. I put it to you specifically that they stopped work on the site for lack of payment. Do you deny that? A. I can't remember anything about that, sir, so it's no good. I can't deny something I don't remember, but I do know that they were told not to pay because they were going bankrupt, which they did. And don't tell me they went bankrupt on this one job. They are a big firm, or they were.
5408. Q. On the 27th February, 1968, Messrs. Dennis informed your Edinburgh office that if their fifth certificate was not paid they would take the men off the job. Do you know that? A. I can't recall it, sir.
5409. Q. As a result of which, on the 5th March you paid £3,000. A. Yes. That is making it £10,600 up to the present.
5410. Q. Now, you see, each one of these cheques is made out to

Mr. Pottinger personally. A. As they should be, if I pay him a gift of £10,000.

5411. Q. So there must have been some contract between you and Mr. Pottinger about these payments. A. Well, I can't remember anything to do with it except that I sent him these cheques to be paid, and I sent them to him.

5412. Q. Therefore, you must have been informed of the progress of the work. A. The progress by certificates only, sir, but not any visits or anything of that nature, or any dealings with the contractors. I don't think I ever met Dennis, or any of them.

5413. Q. Well now, when we look at such documents as have survived, we find a letter dated the 29th July, 1968. For this, will you look at the bottom - half-way down - you will see two items - "Pottinger, £1,000 ?" and "Dennis, £2,000 ?". I look at a letter dated the 29th July, 1968, which reads : "Enclosed please find a cheque for £1,000 together with a certificate for £2,000. You received £1,000 less interest charges from the building society, so you should make this up, add this £1,000 and pay it straight away". Now, as far as we can see, Mr. Pottinger did not have £1,000 of his own. A. Well, all I can say is I can't believe it, sir. I mean, I can't believe that he hadn't £1,000, and this confirms that I expected he had money, because I was saying he should make it up. I don't know, but, I mean, it sounds absolutely ludicrous to me.

5414. Q. We are almost certain, Mr. Poulson, that you went to stay with Mr. Pottinger that weekend, because you told your bank manager that you were going to Scotland. A. Yes, but I didn't go to see Mr. Pottinger this time. I was doing Aviemore, wasn't I?

5415. Q. Because, you see -- A. But I wouldn't be staying. His house wasn't finished, was it? I never stayed with him at his previous residence.

5416. Q. The house was finished on the 31st May, 1968. A. And you say I went in May, 1968?

5417. Q. In July, 1968. A. I don't think so, sir. I think you will find it is incorrect.

5418. Q. Never mind. Well, then, apparently you had to pay the whole of that certificate yourself on the 29th August. There is a mistake in the typing; it should be "9.8.68", not "9.5.68". Well, then Mr. Pottinger gets very much in arrear with his instalments. On the 2nd December, 1969,

he owes for three months. Well now, did you know that?

A. I can't recall it, sir, but it would appear so from here.

5419. Q. If Mr. Pottinger owed the building society instalments, did he come and speak to you about it? A. No, sir. I expect that Mr. Robinson did.

5420. Q. Now, do you remember being approached by Dennis to say that they were going to sue Mr. Pottinger? A. What? Right at the end?

5421. Q. Yes. A. Yes.

5422. Q. At the end of 1968 --- A. No, I would have ---

5423. Q. Dennis informed your Edinburgh office that they were going to sue Mr. Pottinger for non-payment. A. No, I don't remember it in '68; it was '69 I remember.

5424. Q. Did Mr. Pottinger speak to you about this? A. I can't recall it, sir.

5425. Q. At this time, no question of excessive work was raised, was it? A. Well, I suppose, sir, the answer to that one is simply that the final account had not been received.

5426. Q. But you were continuing to pay out substantial sums of money, were you not? A. Yes, and it ought to have been brought to my notice that I had paid all this lot, which I was not aware of until today.

5427. Q. Well now, let us see where this leads us. You say upon your oath that the arrangement between yourself and Mr. Pottinger was this, that you would provide £10,000 as a gift towards the construction of his house; is that right? A. Correct.

5428. Q. Did that include the purchase of the land? A. No, sir.

5429. Q. Was that extra? A. No. That, as far as I was concerned, was a loan, sir, because it has never been mentioned before.

5430. Q. A loan? A. Well, I have told you the reason.

5431. Q. Mr. Poulson, you cannot have forgotten that you paid £1,650 -- A. Oh, but my dear sir, in all the things that we did I didn't remember odd things like this.

5432. Q. All --? A. I am sorry.

5433. Q. What sort of things did you and Mr. Pottinger do that that obscured from your memory --- A. Nothing. I'm not talking about Mr. Pottinger; I'm talking about the whole business. You don't keep one thing ---

5434. Q. How many senior civil servants have you bought a plot of land for? A. None - and I haven't.

5435. Q. So this £1,650 you say was a loan, and then £10,000 was a gift, and Mr. Pottinger was to provide £10,000 himself?
A. That's as I understood it, sir; that's what I've always -- and I didn't know he hadn't until you produced this statement.
5436. Q. Right. Now, Mr. Pottinger says that all the payments were a gift. A. Well, I am sorry, it is not correct.
5437. Q. So on your view, you are a creditor of Mr. Pottinger for eleven --- A. £11,650.
5438. Q. £11,650. A. Plus those ---
5439. Q. Plus the mortgage instalments. A. -- mortgage instalments which I was paying.
5440. Q. Where do we find that in your statement of affairs?
A. Sir, I didn't do any of the statement of affairs. I had no books; I didn't know what was to be put in there.
5441. Q. So you now solemnly state upon your oath to this court, (1) that you contend that Mr. Pottinger, a senior civil servant, is a creditor of yours for £11,650, plus any mortgage instalments for the construction of his house; and (2) that you wish to amend your statement of affairs accordingly? A. Look, sir, as far as the £1,650 is concerned, I had forgotten completely about it, sir. As far as the mortgage payments are concerned, sir, I hadn't -- I had never ---
5442. Q. I think I put that question wrongly - that Mr. Pottinger is a debtor of yours - book debtor of yours - for that sum?
A. It would appear so now from these figures that you have produced, but the only one that I remembered was the £10,000, but I agreed to the incorporation of the others as you have listed.
5443. Q. So that Mr. Pottinger's statement in his defence filed in the Scottish court that the whole of the payments for the house were gifts is false? A. It is not correct, sir, and I have told you this from the start, and I didn't know Mr. Pottinger had put such a defence in. You have never told me, I have never seen it, so how would I know?
5444. Q. And this is a man who you wrote to as "Dear George" and who wrote to you as "Dear John", and you think --- A. Well, I had the highest regard for him and I am absolutely horrified to hear this.
5445. Q. And you think, therefore, that Mr. Pottinger is the kind of person who would raise a false defence for this large sum

of money to your Trustee? A. Well, all I can say, sir, is what I have told you is the truth, and I am horrified to hear what he has said.

5446. Q. I see. Well now, I would just like to ask you a few questions about your relationship with Mr. Pottinger. Mr. Pottinger was the person, was he not, who got you the Aviemore contract? A. Are you making that as a statement, sir, because I would like to know where my position is here.

5447. Q. We have a letter from you which you sent --- A. No. If you will look up the records you will find I got this job on the recommendation of Bovis to Sir Hugh Frazer, as he was at that time. I had never heard of a man called Pottinger.

5448. Q. Very good. The letter that I am referring to perhaps was a mistake by yourself. Secondly, Mr. Pottinger drafted letters for you, did he not? A. Not in connection with Aviemore.

5449. Q. In what connection did he draft letters for you? A. When I was making certain political speeches.

5450. Q. That was not the kind of letters I had in mind. A. I think he did one or two.

MR. SAFFMAN: Sir, I have deliberately refrained from interrupting my friend during the course of his examination, but whilst he is looking for documents at the moment may I ask if he would be good enough, please, when producing any file, to identify the file by the name on its front, or some other reference, so that subsequently I may be able to ask for copies of them by reference to ---

MR. MUIR HUNTER: I am sorry.

THE REGISTRAR: It has been Mr. Hunter's practice.

MR. SAFFMAN: Well, he has not done this morning, sir.

MR. MUIR HUNTER: I will remember that.

MR. SAFFMAN: Might I ask first, sir, for him to identify the files so far produced?

MR. MUIR HUNTER: The files are called Pottinger 1, which relates to the construction of the house; Pottinger 2, which is the Pottinger mortgage file of the Wakefield Building Society. There will be a Pottinger 3 which provides extracts from the accountant's files.

5451. Q. Now, you have told us that Mr. Pottinger used to draft letters for you? A. Not letters, sir. I am not aware that he ever drafted a letter of any description.

5452. Q. What do you say he drafted, then? A. Well, I thought it

was one or two speeches I had probably - I am saying "political"; I don't know whether it was even that. I did so much public work.

5453. Q. On the 31st October, 1966, as appears from a special file - a special Pottinger file; call that Pottinger 4 - your office sent to Mr. Pottinger a copy of a speech "which has been prepared for Mr. Poulson by the National Liberal Organisation for use when he chairs a meeting at which The Right Honourable Edward Heath will be the main speaker. Mr. Poulson feels that the second page of this speech is somewhat strong meat and he ought to not really say this, otherwise he may well start a revolution. I wonder if you would be so kind as to make one or two milder alternative suggestions." Do you remember this incident? A. I remember that he did do this sort of thing; that's why I said he did it. I didn't remember he did that particular one.
5454. Q. In what circumstances did you think it appropriate to ask a senior civil servant to draft a political speech for you? A. It is nothing to do with that, sir. He was a friend who I had the greatest admiration for - had, I hope you notice now - and his ability to express himself in a far better way than I do, because unfortunately one of my greatest failings is that I am very poor at speaking.
5455. Q. On the 10th November, 1966, Mr. Pottinger wrote back, apparently enclosing a speech, saying, "Here is a fine load of codswallop". Do you remember that letter? A. I am sorry, I didn't hear; you dropped your voice at the last word. No, I don't remember this. Probably that's the attitude ---
5456. Q. I will not burden the record or embarrass the distinguished gentlemen present by actually reading the speech, but it is a very strong political utterance, is it not? A. I can't remember it, sir. I remember that I did take the chair, but I can't remember the contents of it, obviously.
5457. Q. Violently attacking the then Prime Minister, The Right Honourable Harold Wilson? A. I wouldn't know; I can't recall it, sir.
5458. Q. You make so many speeches attacking Mr. Wilson? A. I did a lot in that time, yes, sir.
5459. Q. You were televised, were you not? A. No, I wasn't. You see, there again - because it was Mr. Heath, he was televised. He was in Caxton Hall. But not me.

5460. Q. Just cast an eye over it; I am sure you will remember it.

A. The press were there at this.

5461. Q. I have here in the same file a letter of the 11th August, 1966, from Mr. Pottinger to yourself, enclosing a draft letter to be written by you to Campbell Reid, antique specialists, in Scotland. Do you remember that? A. No, I have never heard of the firm that I am aware of. I can't recall them.

5462. Q. It appears to be an example of touting for work. A. No, sir. I can't recall it at all.

5463. Q. "I have learned", Mr. Pottinger writes, "that you are considering various possibilities which provide an opportunity for some exciting architecture, and that you might be interested in what we have to offer as one of the probabilities". You say, "I would welcome the chance to show you what we can do to meet your unusual requirements". A. Who is this to?

5464. Q. This is to Campbell Reid, of Messrs. Whitelock and Reid, Charlotte Square, Edinburgh. The covering letter says: "Dear John. Here is the draft I suggest you might send some time at the end of this week. Whitelock and Reid are the No. 1 firm in the antique world in Scotland, and they do a great deal of interior decoration, furniture repairing, etc., for noble families throughout Scotland", and so forth, and so forth. "I think this is worth trying. I believe your rival is B. Spencer. Good luck." That is a touting letter, is it not? A. Did it ever go?

5465. Q. Does it matter? A. Yes.

MR. SAFFMAN: Sir, my learned friend on an earlier occasion said that matters of conduct were not the concern of the Trustee. I sincerely trust that those questions are related to matters of assets, not matters of conduct.

MR. MUIR HUNTER: This is not a disciplinary tribunal of the Architects' Association. This relates to the relationship between Mr. Pottinger and Mr. Poulson which it is necessary to investigate for the purpose of the current proceedings.

MR. SAFFMAN: The occasion to which I have referred, sir, was on the second day of the hearing, page 25, question 1229.

THE REGISTRAR: Mr. Hunter has made it perfectly clear this morning what is the purpose of this series of questions.

5466. MR. MUIR HUNTER: Did you make Mrs. Pottinger any presents? A. Not that I am aware of, sir. Probably at Christmas I gave her a bottle or scent or something; I don't know.

5467. Q. On the 3rd October, 1966, which is, in fact, shortly after the passage to which I have referred, you sent her, "My Dear May .. the enclosed cigarette lighter", which apparently was solid gold. A. I'm sure it wasn't.
5468. Q. Mr. Poulson, I have every single letter. A. I am sure I haven't ever even bought for myself such a thing, so, I mean, it's just nonsense.
5469. Q. Do you really want me to read this letter --- A. I don't care what is in that letter.
5470. Q. Very good; it is an asset for recovery. "My dear John. Memories I may have had, but never such a memory as I have now. I simply cannot get over it. Never in my life have I possessed anything gold, and I simply can't believe it. Really, John, you are far too generous for me. You have done so much for us all", and so forth, and so forth. So you now admit it was a gold cigarette lighter? A. No, sir, I do not.
5471. Q. Perhaps it was imitation gold. A. There is a colossal difference.
5472. Q. Could this have been a present in exchange for some small service Mr. Pottinger had rendered you in a personal capacity? A. No, sir. I would think you ought to enquire whether it was her birthday.
5473. Q. Six days before, on the 27th September, 1966, Mr. Pottinger had written to you, "Dear John" - I will read this at dictation speed - "Here is a first draft of the speech from the Throne." A. What Throne?
5474. Q. "It lacks local colour, which you will have no difficulty in adding yourself". What speech would this have been? A. I've not the foggiest idea, sir.
5475. Q. Is this possibly the service - small personal service - which you repaid by a gold cigarette lighter to his wife? A. No, sir.
5476. Q. Perhaps you would like to tell me now, therefore -- A. I have no idea, sir.
5477. Q. -- why you gave his wife a gold cigarette lighter? A. I suggest you might find it is something like a birthday present, or something like that.
- 5477a.Q. No, it is to replace the one that she lost in Greece. A. Oh. Well, that is a reason, then. I don't know. Greece?
5478. Q. Do you remember the circumstances of the holiday in Greece?