

personal assistant always dealt with my Inland Revenue returns, I just merely put my name to it, and as far as when I left the Coal Board was concerned, I put it in the hands of an accountant.

548. Q. Let us read on to the next paragraph of this letter. "The point on which we would like to have your assistance" - that is Mr. Womersley - "is with regard to the year ended 5th April, 1967, when the total payments made by our clients were six months at £84 a month, i.e. a total of £504, and Mr. Poulson was rather doubtful as to whether there might be any complication between Mr. Sales and the National Coal Board if this were to be considered as income for 1966/67, which would be a period prior to his retirement, and if it were likely that this would happen the amounts would be charged to Mr. Poulson's account during that year and the process reversed in 1967/68."

A. Yes.

549. Q. If you would be good enough to let us know the position with the National Coal Board, we will then ensure that you are informed as to any returns made to the Inspector of Taxes, but we would mention that the items concerned --" Have you not got this? A. Yes, yes, I am reading.

550. Q. " -- that the items concerned" -- do not turn over for a moment - "will be considered to be fees rather than remuneration of employment, and no tax will be deducted." A. Yes.

551. Q. What was all this about? Why was Mr. Poulson worried? He was "rather doubtful"; apparently, "as to whether there might be any complications between Mr. Sales and the National Coal Board." A. Well --

552. Q. Why should Mr. Poulson worry about that, that was your business? A. I do not know, except I think if your minute clerk, if she refers to the evidence that was previously given, it would be disclosed that I have already emphasised to you that I did not want any payments made during the time that I was acting as Chairman of the National Coal Board.

553. Q. But they were made, were they not? They were made. A. All that I am saying is that as far as I was concerned I stipulated the extent that this should not be done, that it should not be done. I cannot --

554. Q. Why, then, when you got Mr. Robinson's letter in November, 1966, saying there were three instalments in arrear, did you not say to Mr. Poulson, "Do not pay any instalments until I have retired

from the Coal Board"? A. I did not do that because I passed that information on to Mr. Poulson who was a Director of the company and was dealing with the mortgage that had been arranged to purchase my house.

555. Q. So you thought that by telling Mr. Poulson, who was a Director of the Wakefield Building Society, that was knowledge to the Wakefield Building Society; is that right? A. I would think so, yes. I think that is fair enough.
556. Q. Why did you not tell Mr. Robinson? A. Pardon?
557. Q. Why did you not tell poor old Mr. Robinson? A. I have never met Mr. Robinson or seen Mr. Robinson in my life.
558. Q. He was beneath your consideration, was he? A. He was not beneath my consideration.
559. Q. Another person you will not write to - you will not answer his letters either. A. So what?
560. Q. Let us turn over now to the 11th August, 1967. A. Pardon?
561. Q. Let us turn to the 11th August, 1967. This is Mr. Womersley's reply; "I thank you for your letter of the 8th instant and have discussed it with Mr. Sales." A. Yes.
562. Q. Do you remember discussing the earlier letter with Mr. Womersley? A. Which earlier letter?
563. Q. The one of three days before, the 8th August. A. No. I am not sure, but I assume if Mr. Womersley says I did discuss it with him, then I have no doubt that I did discuss it with him.
564. Q. And then he goes on, "I find that Mr. Sales must not receive any remuneration from O.S.B. within the year ended 5th April, 1967." A. That is right, yes.
565. Q. "And so, therefore, no mention of this will be made in his return." A. Yes.
566. Q. "It seems that the procedure outlined towards the end of the third paragraph of your letter will be correct." A. Yes.
567. Q. So Mr. Womersley was going to tell the Inland Revenue, and put in a return which you would sign, saying that you had had no remuneration from O.S.B. in 1966/67, when in fact you had? A. My understanding was that I should receive no remuneration until I retired from the Board - that was my understanding.
568. Q. So it was all a terrible mistake, was it? A. Pardon?
569. Q. It was all a terrible mistake? A. I do not know whether it was a terrible mistake or not. As I have already said to you, quite clearly, I am not an accountant, here are two accountants having correspondence with each other and I am assuming that as

accountants they deal with my income tax and Inland Revenue return fairly, openly, and above board.

570. Q. Now, nine months pass - in fact six months pass. A. Yes.

571. Q. And you will not know this, but on the 2nd January, 1968, Mr. Robinson of the Wakefield Building Society writes to Mr. Poulson - you will not have seen this, but it is to do with you. A. Is it in here?

572. Q. No, it is not in there, but it is to do with you, though.

"Dear John, A note to await your return from London intimating that Mr. Sales' arrears now amount to £588, as I believe you are in touch with that gentleman. I look forward to have a chat with you on" - and he goes on to a different matter.

A. And what date is that?

573. Q. This is the 2nd January, 1968. A. Yes.

574. Q. Mr. Poulson, as this Court already knows, was in trouble with the Inland Revenue - he could not pay their assessments himself.

A. I did not know.

575. Q. You did not know that. He has not paid the instalments on your mortgage to the Building Society, he has fallen into arrears. A. Yes.

576. Q. Did you not get letters from Mr. Robinson saying, "What about the arrears?" A. No.

577. Q. So Mr. Robinson was looking to Mr. Poulson to pay? A. Pardon?

578. Q. Mr. Robinson was looking to Mr. Poulson to pay; is that right?

A. In accordance with the agreement that I had with Mr. Poulson that would be true.

579. Q. Now, by this time, January, 1968, you were no longer the Chairman of the Yorkshire Division of the Coal Board?

A. That is quite true, yes.

580. Q. After your retirement from the National Coal Board. A. Yes

581. Q. Let us take the first six months; what sort of consultancy work were you doing for Mr. Poulson in the second half of 1967?

A. In the second half of 1967.

582. Q. Bearing in mind that Mr. Poulson had not bothered to pay your mortgage instalments, at all, for three or four months - it is six months - in 1967. A. Yes.

583. Q. For six months he fell into arrears? A. Yes.

584. Q. Now, this was at a time when you had left the Coal Board and were now contractually free to act as a consultant to Mr. Poulson. A. Yes. And the question is?

585. Q. What did you do for Mr. Poulson? A. Very little during that period, very little at all.
586. Q. Anything? A. Pardon?
587. Q. Anything? A. Several meetings, I think, were held at my house.
588. Q. What sort of meetings? A. Pardon?
589. Q. What sort of meetings? A. Policy meetings with respect to O.S.B., other affairs.
590. Q. Who was present at those meetings? A. I would think chiefly Mr. Poulson.
591. Q. Anybody else? A. Not to my knowledge. Not that I recollect.
592. Q. Are there any notes of what you discussed at those meetings? A. I do not think so.
593. Q. Do you know a Mr. M. V. Kelly? A. Who?
594. Q. M. V. Kelly. A. M. V. Kelly, yes.
595. Q. Who is he? A. Mr. Kelly was Chief Engineer to the Yorkshire Board.
596. Q. Yorkshire what Board? A. Yorkshire Coal Board.
597. Q. How long have you known Mr. Kelly? A. Pardon?
598. Q. How long have you known Mr. Kelly? A. I have known Mr. Kelly for - do you mean from this date, or -- I knew Mr. Kelly --
599. Q. For many, many, years. A. Pardon?
600. Q. All the time you have been with the Coal Board? A. Not all the time I have been with the Coal Board, but all the time, I would think, that I was with the Yorkshire Coal Board, yes.
601. Q. Have you ever been on holiday with Mr. Kelly? A. No
602. Q. Have you ever stayed at the same hotel at the same time as he has? A. I have, yes.
603. Q. Could that have been in October, 1967, at the Dorchester? A. October, 1967?
604. Q. Six months after you had retired from the Chairmanship of the Board? A. I would not know, but I can tell you this, and this will pinpoint it; the only occasion I have stayed with Mr. Kelly at the Dorchester is when I was invited to a Livery Dinner, and Mr. Poulson was a Livery man, and I was invited to a Livery Dinner and Mr. Kelly was also invited to the Livery Dinner.
605. Q. And Mr. Poulson paid the bill? A. Pardon?
606. Q. Mr. Poulson paid the bill; is that right? A. I would think so, yes.
607. Q. Have you and Mr. Kelly and Mr. Poulson ever discussed business affairs together? A. No.

608. Q. When was the last time you saw Mr. Kelly? A. I have not seen Mr. Kelly since I retired from the Board, unless --
609. Q. Are you sure? A. Pardon?
610. Q. Are you sure that in October, 1967, you did not stay together with Mr. Kelly at the Dorchester? The reason I put this to you - I am not making this up. A. No. I have already said that I do not recollect staying at the Dorchester --
611. Q. You see, I have a letter here from the Dorchester Hotel, London, addressed to Mr. Poulson, dated 27th October, 1967. "I thank you for your letter of the 26th October and I have pleasure in confirming the reservation of a single bedroom with private bathroom for Mr. W. H. Sales, and similar accommodation for Mr. M. V. Kelly, for the night of Monday, 27th November."
A. And that is October 19--
612. Q. "As requested, their accounts will be forwarded to you" - Mr. Poulson - "for settlement." A. And this was October 19 --
613. Q. This was October, and you stayed there, according to this, you were due to stay there, in November, 1967. A. Well then, if that is so - and I take your word for it - if that is so, then it would be in order to attend a Livery Dinner. Of course, Mr. Poulson --
614. Q. And you would not have discussed business, or anything like that?
A. No, no.
615. Q. That was another free night's lodging at the Dorchester?
A. Well, if you like to put it that way, yes.
616. Q. Now, during this time, as I have already indicated, the instalments to the building society were falling behind again.
A. Yes.
617. Q. You did not know that? A. Pardon?
618. Q. You did not know that? A. I did not know that, no.
619. Q. No concern of yours? A. Pardon?
620. Q. No concern of yours? A. Well, if I enter into an agreement with a person I expect that agreement being carried out.
621. Q. And you say that the amount of consultancy work that you were doing for Mr. Poulson at this time was very small - minimal?
A. I think it was minimal, if I get my dates correct.
622. Q. Now, I would like you now to return to the bundle you have in front of you, the bundle of correspondence; that is the one. And you will see that Mr. Womersley in 1968 - and I suppose Mr. Womersley was contemplating your tax affairs once again, and he takes up -- A. What date?

623. Q. 26th April, 1968. A. Yes.
624. Q. He takes up the matter of your tax position with Mr. Bolton.
"Dear Mr. Bolton, I would refer to your letter of 8th August, 1967, and in particular to a statement from the Wakefield Building Society which Mr. Sales has brought to my office today, and which shows that £1,092 was paid to this building society by, I believe, an undertaking referred to as 'O.S.B.' I shall be most grateful if you will please let me know whether any P.A.Y.E. income tax has been applied to this particular item, or whether or not it is regarded as a salary, or whether the sum has been paid to Mr. Sales as a consultant. You will readily appreciate that I do require this information in order that I may correctly complete the return of income for the year ended 5th April, 1968." A. Yes.
625. Q. Why had you not told Mr. Womersley what the true position was?
A. What?
626. Q. Why had you not told Mr. Womersley what the true position was?
A. I told Mr. Womersley what the true position was, but I do recollect now that Mr. Womersley did say to me that he was having considerable difficulty in getting information from the other side, and, therefore, I can only assume -- These letters, I have never seen them before.
627. Q. Do you think Mr. Womersley was as confused as I am about what the true position was? A. I think he is, yes.
628. Q. What do you say the true position was with regard to P.A.Y.E?
A. Pardon?
629. Q. Were you on P.A.Y.E. with regard to these payments in 1967/68?
A. I would not think so, they were consultancy fees. I do not know what the income tax law is, but I am assuming that fees, as such, are not subject to P.A.Y.E.
630. Q. I see. A. And I think that part of the letters that were written by Mr. Womersley were letters seeking for clear information on my instructions.
631. Q. Did you yourself know what the real position was, Mr. Sales?
A. Yes, I understood - well, when you say do I know what the clear position was, I can tell you the position as I understood it, and the position as I understood it was that I was consultant to John G. L. Poulson, for which I received consultancy fees. A next point was that when I was appointed a member of the board, I understood that I would be appointed a member of the board more or less following my retirement, and --

632. Q. Why did you wait two years to join the board of O.S.B?

A. Pardon?

633. Q. Why did you, in fact, wait two years? A. Well, I waited two years because (1) I felt that Mr. Poulson had not kept to his side of the arrangement. I discovered, and I think it was with talking to Gordon Shaw, that Sir Bernard Kenyon had been either appointed Chairman or put on the board of O.S.B., and this was the company that I thought I was going to go on as a board member. Mr. Poulson then came down to see me - this was after I had expressed my views to Gordon Shaw - Mr. Poulson then came down to see me and Mr. Poulson offered me a job as General Manager of O.S.B. and I said, "Not on your life", and he said, "Well why?" and I gave him two reasons, (1) I said that I was not prepared to work under Sir Bernard Kenyon. Now, that was not personal, but Sir Bernard Kenyon had occupied a very important position in this country, I had occupied a correspondingly important position as far as the Coal Board was concerned, and therefore, I was not prepared to act as a General Manager under the umbrella of Sir Bernard Kenyon. I reminded Mr. Poulson, too, that the agreement that we had entered into was that I should become a member of the company, and Mr. Poulson said that there was some difficulty at that particular time in arranging this, but that he would certainly see that it was done.

634. Q. As was the case? A. Pardon?

635. Q. As was in due course the case? A. As was in due course done.

MR. GRAHAM: Sir, I think that may be a convenient moment.

THE REGISTRAR: Yes.

MR. GRAHAM: Sir, there is the question of obtaining, possibly over the adjournment, of the file from the building society, and it may not come as too much of a surprise to the building society to know that it is going to be required.

MR. RADCLIFFE: We will take steps. I imagine there are senior people in authority out at lunch, but my solicitor can make the request.

(Luncheon adjournment)

MR. GRAHAM: Sir, we have not entirely wasted the period of the adjournment in that Mr. Sales has started to go through various categories of documents which he has been good enough to bring with him, some of which may very well be relevant in this case. I would not propose to trouble him at the moment, either to

enumerate those documents, or to deal with their contents, because I will not have had an opportunity to take in what they contain and it may be that in any event it possibly will not be necessary, so perhaps that aspect can be left on one side, and perhaps I may now be permitted to return to the question of the mortgage.

636. Q. Mr. Sales, I would like you to go to your letter of the 14th September, or rather your solicitor's letter of that date.
A. Have I got one?
637. Q. You did have this morning. A. I think I handed all the documents back. (Handed to witness)
638. Q. Now, you will see that in the tax year 1967/68 you are stated to have received from Mr. Poulson, as fees as a consultant, the sum of £1,596 gross. A. Yes.
639. Q. Have you any idea how that figure is arrived at? A. Pardon?
640. Q. Have you any idea how that figure is arrived at? A. I am not certain, but I think that this figure is a figure that was given to Mr. Womersley by Mr. Bolton, and that Mr. Womersley sent me a copy of that letter. As I say, I am not certain about that, but that is my recollection.
641. Q. Well, perhaps I can help you -- A. And it would be split, I think, if my memory serves me right, as between 1967/68, which would be the tax year for that year, and there would be those fees to which you have referred, namely those from September, 1966, to the end of the tax year April the 5th, and I think it would include the lot, which were returned for 1967/68 on the basis of a letter which Mr. Womersley, my accountant, got, I think, from Mr. Bolton. That is as far as my memory goes.
642. Q. What you are saying, I believe, is this: the instalments to the building society were £84 a month. A. That is true.
643. Q. If you multiply that by twelve you get £1,008? A. That is right, yes.
644. Q. That leaves £596 to go. If you divide £84 into £596 the answer should be seven. A. It should be £584, should it not? I mean, if you take the eight away. Oh, sorry, what you are saying is that twelve times £84 is £1,008 --
645. Q. What I think you are saying is that in the £1,596, which you say here is for the tax year 1967/68, there are in fact, assuming it was twelve times £84 in 1967/68, there are seven instalments of £84 which relate to the year 1966/67. A. I have no doubt at all about that from what you said this morning.
646. Q. You did not appreciate this before? A. Pardon?

647. Q. You did not appreciate this until I explained it to you?
A. Not that it had been paid for that tax year, because I was always scrupulous, both in my information or instructions to Mr. Poulson and also to another gentleman to whom we have referred who was pressing me to take on work, and I said, "Not until I retire from the Board." But, I have no doubt at all, now, that £84 per month were paid from the September, was it?
648. Q. Yes, September, 1966. A. From September until I retired in March, or whenever it was.
649. Q. I think you will find it is exactly seven instalments of £84.
A. Exactly so. That is alright.
650. Q. And, as I explained this morning, Mr. Poulson paid late, he did not pay promptly. A. Yes.
651. Q. He paid in a lump sum. A. Yes.
652. Q. Now -- A. I have no record of the payments he made, let me put it that way.
653. Q. Did you not ask him how the money was being accounted for to the building society? A. No, all I asked Mr. Poulson was the matter of my returns for income tax purposes, which I discussed with my accountant.
654. Q. Will you now look in the bundle we gave you this morning, the pink bundle? A. I handed that back. (Handed to witness)
MR. GRAHAM: Would you now look at the last - I should think it is the last letter on that file, 25th July, 1969.
THE REGISTRAR: 1968.
MR. GRAHAM: 1968, I am sorry.
655. Q. You will see that this is a letter, or rather a copy of a letter, addressed to Mr. Womersley from Mr. Harold Bolton, who I will remind you is Mr. Poulson's accountant. A. Yes.
656. Q. Copies sent to Mr. Sales and Mr. Vivian Baker, who, you can take it from me, was Mr. Poulson's internal accountant. A. Yes.
657. Q. "Dear Mr. Womersley, We are very sorry that it has taken so long to obtain the information --" A. No, I have not got that letter. (Handed to witness)
658. Q. "We are very sorry that it has taken so long to obtain the information for which you first asked in your letter of the 26th April. The amounts paid on behalf of Mr. Sales are £84 a month, and this commenced in September 1966, but we mentioned to you in our letter of 8th August, 1967, that there was some doubt about the question of earnings prior to 5th April, 1967, and your letter of 11th August confirmed the position, so all the

payments made prior to 5th April, 1968, have appeared in Mr. Poulson's books as payments during the 12 months ended that date and the total amount is £1,596. Future payments at the present rate will amount to an annual figure of £1,008." -- A. Yes.

659. Q. "This will be returned as a consultant fee paid by Mr. Poulson to Mr. Sales, although the actual payment may be by Open System Building Limited, because there are current accounts between those respective organizations. It will, therefore, be in order for Mr. Sales' tax return to show a fee of £1,596 for the year ended 5th April, 1968, and in future years, unless circumstances are altered, it will be £1,008 per annum, and this is paid as a fee from which no tax is deducted." A. Yes.

660. Q. Now, do you say that notwithstanding the payments in 1966 and to April, 1967, were in fact received on your behalf by the building society, you were not obliged to bring those into account as receipts, earnings, during the year 1966/67?

A. No, I am saying nothing. I am saying that this letter here - when I say I am saying nothing I mean I cannot reply to your question in that sense - but this letter which you have just read out is a letter which was addressed to Mr. Womersley who was acting as my accountant.

661. Q. Do you say that this is an honest description of what, in fact, happened? A. I think that this is an honest description of what happened in this sense, that I had indicated that I wished for no payments to be made to me during my Chairmanship with the Board. The £84 which were paid by Mr. Poulson, as you have stated, were paid not immediately but, I think, you said in two lump sums. I do not know what the tax position is concerning fees as such, but in any case I think the short answer to your question is that I took all this as open and above board; that Mr. Womersley, a man who as far as I know - and I am sure I would swear - is a man of complete integrity, receives this letter from Mr. Bolton, who I think was acting as accountant - not internally but with external affairs - for Mr. Poulson, and I am afraid I cannot help you any further in that respect.

662. Q. It is somewhat unfortunate, is it not, that there is no correspondence emanating from you to Mr. Robinson telling him that you were not intending to start paying the mortgage instalments until after April 5th, 1967. A. Well, if one is wise after the event it may be unfortunate, but at that time I left everything in the hands of Mr. Poulson.

663. Q. Did you genuinely believe that the building society, in view of their letter of November, 1966, when they said, "We have to remind you that there are three instalments in arrear", did you genuinely believe, Mr. Sales, that the building society were not to be paid anything until after the 5th April, 1967?
- A. I genuinely believed that that was the understanding that I had with Mr. Poulson as a director of that building society.
664. Q. At the time you did not communicate this understanding to anybody else apart from Mr. Poulson? A. At that time I had no -- Let me put this quite clearly and straight. During the whole of this business I had no communication whatsoever with Mr. Robinson, I have never seen Mr. Robinson and I do not think that I have been in communication with Mr. Robinson except on the question, I think, of the ten year period, and Mr. Robinson to me was just a name.
665. Q. Did you expect to be employed by Mr. Poulson as a consultant for ten years? A. Pardon?
666. Q. Did you expect to be employed by Mr. Poulson for at least ten years? A. Not necessarily, no. I expected that I would earn sufficient, not just as a consultant, but with board director's fees, to be able to pay off very quickly the mortgage, and, actually, this was the assurance that was given to me by Mr. Poulson.
667. Q. How much did he assure you that he was going to pay you as a board director? A. No figures were mentioned. All that he said, and he said it in the presence of myself and my wife - it was the same situation that I have already explained to you when he persuaded my wife not to sell her shares - and he said, "If your husband joins my company there is no doubt that he will earn more than sufficient to pay this off very quickly."
668. Q. When you say "this", what actually do you mean, pay "this" off very quickly. What do you mean by that? A. I meant to pay the loan Mr. Poulson had made to me and to pay --
669. Q. That was £5,000 odd? A. That was £5,000 odd, and the mortgage repayments - that is the £84 per month.
670. Q. And yet at the time you did not communicate this to any outsider, you did not even tell the building society? A. I did not tell the building society because I knew no-one in the building society. At that time, to be quite frank, I did not even know there was a Wakefield Building Society.
671. Q. Did you tell Mr. Womersley? A. Pardon?

672. Q. Did you tell Mr. Womersley? A. I explained to Mr. Womersley the whole of the set-up as far as this mortgage was concerned.
673. Q. Did you do that at once, or -- A. Yes, I called Mr. Womersley in and I explained all this to him and he said, "Well, leave this to me, I will take this up."
674. Q. We have seen that he did not, in fact, take this up until a year later, in August, 1967? A. Pardon?
675. Q. You have seen from the pink file that he did not, in fact, start to write to Mr. Bolton until August, 1967? A. Yes.
676. Q. Whereas all this took place in May, 1966. A. Oh, if you are asking me did I refer this to Mr. Womersley in 1966, the answer is no. I do not think - and this can be checked with Mr. Womersley's files - I do not think that I asked Mr. Womersley to be my accountant until I left the Coal Board. As I have already said, I think, in a previous statement, all my Inland Revenue returns were made out by my personal assistant, and it was only when I left the Coal Board that I asked Mr. Womersley to act as my accountant.
677. Q. So in connection with the obtaining of the mortgage were you required to give any information to the building society about your then current earnings and your future prospects, bearing in mind you were already a man of sixty-four? A. I do not think so; I do not know. I do not think I was so requested, but if I had been requested I could easily have given them the information and the information is quite simple, if you would like it.
678. Q. Did you actually give the building society information, or not? A. If I did I have no recollection of it.
679. Q. Is it possible that Mr. Poulson may have given information on your behalf? A. I very much doubt it; I do not know, because I do not suppose that Mr. Poulson would be familiar with my earnings or my pension.
680. Q. You see, on the 7th June, 1966 -- A. 7th June?
681. Q. 1966. There are you about to get the mortgage if you possibly can from the building society, just before you are going to America with Lord Robens. A. Yes.
682. Q. We have found the following letter, which again you will not have seen. A. No.
683. Q. It is dated the 7th June, it is addressed to Mr. W. Robinson. Wakefield Building Society, from Mr. Poulson. "Dear Bill, Enclosed please find form duly signed by Mr. Sales. He will

probably have rung you this morning in this connection."

A. Yes.

684. Q. And then it goes on, "As I explained to you, he asked my advice on the matter as he was thinking of selling many of his securities, which was just crazy. I spoke to our accountants who advised that it would be best for him to take out a mortgage with a view to early repayment. This would be the wisest way for him to deal with the matter, as the tax people would be asking many questions if he suddenly bought a house without cashing in any securities. As I say, this loan is only for a short period, and I am very grateful for your help in the matter. I would like you to keep the matter to yourself, we do not want everybody to know about it. If there is any information you require, do not hesitate to get in touch with me. Mr. Sales is sailing to America with Lord Robens for a month and Mr. Marr" - that is the solicitor - "is at present on holiday in Corfu" - and then I am missing something out because it is not relevant - "so the matter can be left until he gets back, but I thought it necessary to get Mr. Sales' signature before he left, so that it could be completed before his return." A. Yes.

685. Q. Now, do you remember signing any form in relation to the mortgage? A. I have no recollection, but if Mr. Poulson says I signed a form, then I take it that I did, but I do not know what would be on the form.

686. Q. So you would not have been the author of the information on the building society form? A. Pardon?

687. Q. So if any information was contained on the building society form about your affairs you would not have been responsible for putting it there. A. Not if I did not see the form and did not fill it in.

688. Q. Well, we shall know, all being well, tomorrow morning, if there was such a form, because Mr. Robinson is going to produce his file. A. Yes.

689. Q. But, as I understand it, what you are saying is that we shall find that there may well be a form received by Mr. Robinson on or about the 7th or 8th June, 1966, it may have your signature on it,-- A. It may have -- I can always tell my writing.

690. Q. We shall see. But, what you are saying is that even if it does have your signature, you were not responsible for putting the information on the form? A. I am not saying that; I am saying that I have no recollection of it.

691. Q. Well, would you not think, as a man of sixty-four, that the building society might require some information from you about your position and your prospects? A. I do not know. As I say, I rested on the assurance that was given to me by Mr. Poulson. I do remember that two representatives of the building society came down to inspect the house and property.
692. Q. You remember that? A. I recollect that, but anything else, no.
693. THE REGISTRAR: You understand, surely, that the building society must be satisfied that you would be in a position to repay the mortgage? A. Well, let me put it to you this way, sir; my salary when I was the Chairman of the Coal Board was £8,500 per annum. I retired on a pension of just over £3,200, and my present pension is £3,500, so that there was no difficulty as far as repayment. Moreover, you will see there is a misstatement in that letter from Mr. Poulson, where he more or less says that I was to sell shares. I did not own the shares. These were shares that were bequeathed to my wife when her -- Well, it was in trust for her mother, but when her mother died then these were shares that were bequeathed to my wife and she received them under the will, so there was no question of me selling shares, there was no question of any Inland Revenue enquiry into the shares which I held because I did not own shares.
694. MR. GRAHAM: Would you look at this document which is headed "Wakefield Building Society. Application for Advance." A. Yes.
695. Q. Just look at the top line. Do you recognise the handwriting there? A. Yes.
696. Q. Whose is it? A. That is my handwriting.
697. Q. Would you now look at the signature at the bottom of the page? A. That is my signature, and that is my handwriting, because that is in block capitals and that is how I do it, block capitals.
698. Q. Could that be the form that you filled in? A. This is the form that I filled in, yes, could be.
699. Q. There is a considerable amount of information -- A. Pardon?
700. Q. There is a considerable amount of information not there. A. Yes. That is not my writing there; insurance.
701. Q. What is that? A. Something about insurance. This is my writing.

702. Q. Where it says, "William Henry Sales"? A. It says, "Sales, William Henry. Occupation - N.C.B." - that is my writing. "Handley Cross, Cantley, Doncaster", is my writing. "Property to be mortgaged - Handley Cross", that is my writing, "Description - House", that is my writing. "Age of property - Forty years", that is my writing. "Freehold or leasehold - Freehold", that is my writing. So that is the only writing on --
703. Q. Were you ever required by the building society to give information about your means? A. About my means?
704. Q. Your means, yes. A. Not to my knowledge, no.
705. Q. Did you think that that was somewhat odd? A. Pardon?
706. Q. Did you think that that was somewhat strange that they never made any enquiries at all? A. I did not; it is the first time, as I said, that I have ever purchased a house, and in any case, I think that what you have got to bear in mind is that if a Director of a building society is making these arrangements for me, then I would not be familiar with these things.
707. Q. Do you remember getting a letter from Mr. Robinson on the 8th June, 1966 which said this, "Dear Sir, We have today heard" -- I am terribly sorry, this is from Mr. Marr, it is Mr. Marr writing to you - Mr. Poulson's and your solicitor. A. Yes.
708. Q. He says, "We have today heard from Mr. Robinson of the building society that although the society has had to impose restrictions on lending, the amount you require, which we believe is £5,000, would be forthcoming subject to satisfactory valuation of the property. As soon as you let Mr. Robinson have the application form duly completed he will arrange for the society's surveyors to inspect the property." A. Yes.
709. Q. How would Mr. Marr know that the amount was to be £5,000? A. I have not the foggiest idea. I don't --
710. Q. Did you discuss the amount with him? A. No. Let me put this to you too, I have never, I have --
- MR. RADCLIFFE: If I can help my learned friend, I think there is a reference in that file he has to Mr. Poulson being asked this by Marr.
- MR. GRAHAM: By?
- MR. RADCLIFFE: By Marr.
- MR. GRAHAM: Is my friend suggesting that Mr. Poulson had told Mr. Marr that the sum was going to be £5,000?

MR. RADCLIFFE: If you read the letters --

MR. GRAHAM: You are quite right, 3rd June --

THE WITNESS: I have no idea.

711. MR. GRAHAM: I am indebted to my friend. On the 3rd June, Mr. Marr had in fact written to Mr. Robinson, "I understand from Mr. Poulson that the society was going to make an advance, I believe of the sum of £5,000, but I understand from Mr. Sales that so far he has not filled up any forms. It may be that Poulson has said something to you about it, and I trust that it will be possible to help." So originally the loan was going to be no more than £5,000? A. I have not the foggiest idea, sir, I really have not.
712. Q. And you have no idea why it jumped up to £7,000? A. I have no idea why it jumped up to £7,000.
713. Q. It was all going to be loaned to you, you were going to be responsible for repayment? A. That is right, yes, and I took this, as I say -- I have explained the circumstances under which it happened. My understanding, at a later date, was that the mortgage would be for £7,000, and I got that information from Mr. Poulson.
714. Q. When you entered into this transaction did you have discussions with anybody in the Coal Board about it? A. No. No, I only discussed it with my wife.
715. Q. Did you consult the Legal Department of the Coal Board about it? A. I did not consult the Legal Department in the Coal Board, no.
716. Q. I would like you to look at a letter of the 20th May, 1966, to Mr. Marr, your solicitor at the time, from the National Coal Board Legal Department, reference Mr. Glover. Did you know Mr. Glover? A. Mr. Glover was Legal Adviser to the Yorkshire Coal Board.
717. Q. Have you ever discussed this matter with Mr. Glover? A. Not this matter, no. I discussed the sale of the house, of course.
718. Q. When did you discuss the sale of the house with Mr. Glover? A. The time that the house was going to be purchased.
719. Q. What sort of discussions did you have with him? A. I had no discussion whatsoever, except that he was acting on behalf of the Coal Board for the conveyance of the property. That is the only discussion that I had with Mr. Glover.
720. Q. And you actually saw him? A. Pardon?

721. Q. You actually saw him? A. I would see Mr. Glover, yes.
722. Q. Frequently? A. Oh, I saw Mr. Glover whenever there was any legal matter that cropped up. By and large the Legal Department basically was compensation cases.
723. Q. Would you have discussed with him whether it was proper for you, as an employee of the National Coal Board, to buy one of its properties? A. To?
724. Q. To buy one of its properties? A. But this was common practice, sir. This was common practice.
725. Q. I have no doubt it was common practice, but that is not my question, the answer to my question. Would you have discussed with Mr. Glover the question of the Chairman - you - of the National Coal Board buying one of the properties of the Coal Board? A. You mean as a propriety?
726. Q. Yes. A. Certainly not.
727. Q. Well, who would you have discussed it with? A. I would not have discussed it with anyone, because, as I have already said, it was common practice. The National Coal Board sell quite a number of properties to its senior officials as and when they retire. It is not exceptional.
728. Q. Why did the National Coal Board buy this property with six acres of land in the first place? A. The National Coal Board bought that property because they thought it was a suitable property for my occupation as Chairman of the Yorkshire Division.
729. Q. With six acres of land? A. Pardon?
730. Q. With six acres of land? A. With six acres. You could not get the house without six acres of land, it was sold as a whole. You could not get the house without the land. I did not want the land, at that time.
731. Q. Did you discuss the question of buying this land? A. Pardon?
732. Q. Did you discuss the question of going to live in this house with Mr. Poulson? A. With Mr. Poulson? Good Lord, no; I never discussed it at all. This was just a straightforward National Coal Board Chairman matter.
733. Q. When Mr. Poulson offered to lend you the money, how did the topic come up in conversation? He would not say out of the blue, "Would you like to buy this house", or "I will lend you the money". A. No, no; I thought I had already explained that. How it came up in conversation was, at least I think it was a morning because we were having coffee, and I have already said that Mr. Poulson was very anxious and wanted to me commit

myself to joining his firms after I retired from the Coal Board. It cropped up in normal conversation that (1) on my retirement that we had decided to stay in the district - because neither my wife nor myself are the kind of person that looks for retirement in a bungalow at the seaside where we are not known - and (2) my wife and I had decided, having decided to stay in the district, the second decision was then, "Well, which house?" and we liked the house in which we lived, and it was agreed between myself and my wife that I approach the Coal Board to see if they would sell it to me. When we were talking to Mr. Poulson it was made clear to Mr. Poulson that I was staying in the district, that we were going to buy this house, and my wife mentioned the shares that she was going to sell, and it was at that point where Mr. Poulson more or less threw his hands up in horror and said, "Listen, Mrs. Sales, there is no need for you to do that; when your husband comes to work for me I can easily arrange for a mortgage; he will earn more money working with me, that will pay it off in a relatively short period of time." Alright, I accepted the arrangement. I could have got other jobs, but I accepted those arrangements with Mr. Poulson.

734. Q. We have heard this morning, in the correspondence, that the National Coal Board, Mr. Day, and their valuers, were well aware that this property had potential development value?

A. Well, when you say "potential development value", I very well recollect - and I am sorry that I have not got it with me, but I may be able to find it scattered about somewhere - but I very well recollect that when this property was valued by the Coal Board, because I think you have to bear this in mind as far as Coal Board procedure is concerned, that they have an Estates Department. The head of that Estates Department was a Mr. Ridyard. Now, Mr. Ridyard would send in a report as far as that property was concerned. Mr. Ridyard, in his statement, valued the house, I think, at certain monies - I forget which - he also made reference to the land which was attached to it; he may have said that this had potential building value, but no time could be put upon it as it was - he did not say green belt, but I think it was white, white instead of green. In other words.

735. Q. He discussed this with you, did he? A. In other words no development had taken place at all as far as around Handley Cross was concerned.

736. Q. Did Mr. Ridgmark did you say? A. It is Ridyard was the name.
737. THE REGISTRAR: Would you spell Ridyard? A. R-i-d-y-a-r-d.
738. MR. GRAHAM: Did he discuss this with you? A. Who?
739. Q. Mr. Ridyard? A. No, no, no.
740. Q. This is supposition on your part, is it? A. What is supposition?
741. Q. This is what you think may have happened? A. In what respect?
742. Q. Well, you have been giving us a description about green belts and white belts. A. No, as I say, I think, I am not sure, but I may be able to put my hands on this.
743. Q. On what? A. On the report
744. Q. On what? A. On the report.
745. Q. What report? A. The report that was given by Mr. Ridyard on the property Handley Cross.
746. Q. Would you have seen this report then? A. Pardon?
747. Q. You have seen this report then? A. I am pretty certain that I have seen this report.
748. Q. And you have a copy of it at home? A. As I say, I am not quite sure whether I can put my hands on it or not.
749. Q. Have you any idea what date it would be? A. Well, it would be 1962.
750. Q. Is that before the property was bought, or after it was bought by the Coal Board? A. Oh, yes, I think it was before, obviously.
751. Q. So you knew then, when the property was bought in 1962, and when you went to live there -- A. Yes.
752. Q. That there were questions of the potential development that might arise in due course? A. In due course, well, yes. I did not buy it with that object in view.
753. Q. You did not buy it in the first place, it was bought by the Coal Board. A. Yes, by the Coal Board, and the Coal Board, during the whole of that time, had they wished, they could have sold off a part of the land, but there was no sale for it. You see, do you mind if I explain?
754. Q. I am anxious to get at the true facts, Mr. Sales, and if anything you can say will help, so much the better. A. All I am trying to do is to give the truth and the true facts. Look, there is Handley Cross, there is a large field there to the east, there were two very large fields here to the west. Here there was

what was known as Cantley Manor. There was no building whatsoever in between, A matter, I think of approximately eighteen months to two years ago, the people who lived at Cantley Manor sold their property which was that field and the Manor, which immediately put this land into the developers' market, that is that land there. Here there was scheduled a school, a Roman Catholic Grammar School. I think the Doncaster Corporation made some arrangement with the owner of that land where a swap took place, and the Roman Catholic School was built there, and this became the property of another developer, namely Mr. White. So that I find myself in this position, that due to no action at all on my part, I find that I am being developed to the east, to the west and to the north, and that is the explanation of the enhanced value.

755. Q. When you bought this property from the Coal Board in 1966 ---
A. Yes.
756. Q. Your aim was to live there, was it? A. My aim was to live there, yes.
757. Q. In the house, together with the six acres of land? A. Yes.
758. Q. You had no eye at all to the question of future development of the land? A. Not at that time, no.
759. Q. Did Mr. Poulson ever discuss with you the question of developing the land? A. No, no.
760. Q. Putting houses on it? A. Good Lord, no.
761. Q. Never? A. Never.
762. Q. Had you, before 1966, ever discussed with anybody, Mr. Poulson or anybody else, the question of developing the land? A. No.
763. Q. Are you seriously saying that that is so? A. I am seriously saying that that is so. I give you my word of honour - in fact I am under oath, sir.
764. Q. What were you going to do with the six acres of land? A. Well, I will tell you what I started to do, shall I?
765. Q. Yes. A. I bought myself three young hiefers. There is a paddock here, and I bought myself three young hiefers and I put those heifers in the paddock. I also bought myself three hen-cotes and five night arcs, and I put inside the orchard the night arcs and the hen-cotes - and that is what I did more or less immediately --
766. Q. Very shortly after you bought this property you had offers, did you not, from people who wanted to develop it? A. No.