

767. Q. Did you say "No"? A. I think -- I do not remember any offers from people who wanted to develop it. What I will say is this, that I recollect no offers.
768. Q. You had never had any offers, then, before you put it on the market? A. Pardon?
769. Q. You had never had any offers before you put it on the market? A. No. It all depends what you mean by putting it on the market. You know --
770. Q. In the letter dated 1st November, 1972 -- A. 1st November.
771. Q. 1972, from Messrs. Bell Watson, who I referred to this morning, they say this -- A. To whom?
772. Q. It is addressed to a firm of solicitors in Doncaster who have been acting as agents for my instructing solicitors, A. Yes.
773. Q. And they say this, "Finally, we can also confirm that over a period between July, 1967, and August, 1968, we made a series of offers for the property on behalf of a developer client, commencing at £15,000 and finishing at £25,000, but all these offers were rejected by the owner's agent." Do you say that this is not so? A. I am not saying that that is not so at all; I mean you did not ask me whether this had been put into agents' hands. Of course it was put into agents' hands, and I have no doubt that the agent did reject the offers. You see --
774. Q. When did you first put it in the hands of agents? A. I am not quite sure on that, but I think it can be checked. This can be checked, because I have no doubt that Stanilands have my originating letter, or it may well be that I 'phoned one of the senior partners, but the explanation for that is quite simple; I have two children, both my children left home to take up jobs down in Cambridge, my wife and I were left on our own with a six bedroomed house and we more or less were toying with the idea of selling, and I got in touch with Stanilands, through the senior partner, and placed it in his hands. Now, that date, I am sure, can be confirmed with Stanilands.
775. Q. When did your children leave home? A. Pardon?
776. Q. When did your children leave home? A. Oh, my boy has been left now for what? He has never been at home except during vacation time. He was at East Anglia University and he took his degree eighteen months ago --
777. Q. So, when you got this house you had a jolly good idea that you may not require it for a long time? A. Pardon?

778. Q. When you bought the house in 1966, you had a jolly good idea that you were not going to require it for a long time?  
A. No, it depends; you see, it depends on age really. You see, I don't know. You see - you can inspect it - it is not a big house, really, in terms of rooms; it is the number of rooms. But what gets me down, and what I found to be an increasing burden, was looking after the land.
779. Q. When do you say you retired from the Coal Board? A. I retired from the Coal Board in the March, I think, 1967.
780. Q. According to Bell Watson, the property was first put on the market in July, 1967? A. Pardon.
781. Q. July, 1967, is when offers were received because the property was in the hands of your agents. When do you say it was first put on the market? A. When you say "first", I am thinking in terms of advertisement. You referred this morning to the property being advertised. Now, what I am saying to you is this, that all these dates are perfectly ascertainable, and I knew of no approach from Bell Watson for the purpose of development. I will tell you what there was from Bell Watson, if you are interested; there was an approach from Bell Watson to Peter Wellburn to see whether Mr. Sales would sell this house and land for £15,000 because they had built a Roman Catholic school adjacent to the property and they were wanting it for a nunnery and also for an extension of their playingfields. Now, that is the only approach that I know of from Bell Watson, and that information was given to me by Peter Wellburn.
782. Q. Have you ever heard of Kenton Homes Ltd? A. I have certainly heard of Kenton Homes Ltd.
783. Q. Who are they? A. Kenton Homes are those who developed this land as I have explained there. Kenton Homes Ltd. are they who are developing that land there, and they have built a series of houses on that land. And I had trouble with Kenton Homes because, as I explained to you, when I first went into Handley Cross I had no electricity except over a private line, and Kenton Homes -- my private line for which I paid wayleave ran over these two fields from the property of Cantley Manor. Mr. Jackson at that time - I don't know what position he occupied - probably manager of Kenton Homes - wrote several letters and also phoned me concerning the removal of his line, and at that time said "Why don't you sell it us", and I said "It is in the hands of Stanilands".

784. Q. Now, in 1969 you became a director of O.S.B. Limited -  
Open System Buildings? A. Yes.
785. Q. How much were you going to earn from O.S.B.? A. Pardon?
786. Q. How much were you going to earn from O.S.B.? At long last  
you achieved what you thought you were going to achieve some  
years back - you became a director of O.S.B.? A. That is  
right, yes.
787. Q. How much did you earn? A. I think that as far as the  
director's fees were concerned, I am not sure on this but I  
think they were entered as £3,250.
788. Q. Where were they entered as --- A. In the board minutes.
789. Q. In the board minutes, so we will find it there, will we?  
A. I think you will find it in the board minutes.
790. Q. How was this sum calculated? A. I have no idea.
791. Q. Pardon? A. I have no idea. I don't know how you calculate ---
792. Q. Who did you agree it with? A. I don't know how you calculate  
for directors' fees. There is probably a stipulated amount for  
it; I don't know.
793. Q. Did you discuss this with Mr. Poulson? A. No, I did not  
discuss it with Mr. Poulson. All I know is that as far as  
O.S.B. was concerned I was invited to join O.S.B. in March,  
1969. I regarded this as consistent with the agreement that  
I had made with Mr. Poulson and that I was put down for a fee;  
I think it was £3,250. I could not ---
794. Q. £3,250? A. I think so, I am not sure, but that is my  
recollection.
795. Q. I see. A. And in any case I think you will find it in the  
minutes of the meeting.
796. Q. Were you to get any other monies from O.S.B.? A. No monies  
except for expenses.
797. Q. So your take-home pay from the Poulson organisation was going  
to be £3,250, plus expenses? A. That is at the time that I  
was there, yes.
798. Q. Anything else? A. Nothing more at all.
799. Q. Are you quite sure? A. I am absolutely certain.
800. Q. Will you look again at the letter of the 14th September, 1972?  
Have you got that? A. I have got that, yes.
801. Q. Would you be good enough to look at the figure in the year  
1969/70? A. Yes.
802. Q. How much does it say there? A. It says £756.

803. Q. What was that for? A. That was the consultancy fees. The whole of these amounts here are not board fees. I received no board of directors' fees from O.S.B.; they were never paid to me. These are consultancy fees.
804. Q. For whom? A. "For whom" did you say?
805. Q. You told his Honour this morning that you joined O.S.B. in March, 1969? A. That is right, yes.
- THE REGISTRAR: As a director.
806. MR. GRAHAM: As a director. A. Yes, as a director.
807. Q. And then you say in the tax year 1969/70 you had consultant's fees. Are you saying you had consultant's fees? A. I am saying that all these amounts here were consultancy fees.
808. Q. Are you saying that these were in addition to what you were getting from O.S.B.? A. I am saying that these would be in addition if I had received anything from O.S.B. I am saying - I made that perfectly clear this morning - that I was made consultant not to O.S.B., but consultant in John G. L. Poulson, for which I received consultancy fees, and these have nothing at all to do with director's fees, these amounts.
809. Q. You see, the very first letter that Mr. Womersley sent to Mr. Bolton says nothing at all about you being a consultant to Mr. Poulson. The first time it is raised on the 2nd August, 1967 --- A. 1967, yes.
810. Q. He says, "W. H. Sales, Esq., O.S.B. Ltd. I have been asked by Mr. Sales to deal with his taxation affairs". A. Yes.
811. Q. "And in this respect he has told me of the relationship which subsists between himself and the above-mentioned limited liability company". A. Yes.
812. Q. Nothing to do there when he first raises it with you being a consultant to Mr. Poulson at all? A. No. Well, I explained to Mr. Womersley that I was consultant to Mr. Poulson. I explained to him too ---
813. Q. Well, why should he --- A. I don't know.
814. Q. Just stop there, Mr. Sales. Why should he write down as a cross heading to his letter - the very first letter that we have seen from him, 2nd August, 1967. A. Yes.
815. Q. Within four months of you leaving the Coal Board, "W. H. Sales, Esq., O.S.B. Ltd", and he talks about the relationship which subsists between "Mr. Sales and the above-mentioned limited liability company". A. What was that, did you say - what date?
816. Q. 2nd August, 1967. A. That is before I joined O.S.B., 1967.

817. Q. Are you saying, then, that from 1967 until 1969 you were a consultant to O.S.B.? A. No. I am saying that I was a consultant to Mr. Poulson, not to O.S.B.
818. Q. Well, I put it to you, Mr. Sales, that that is untrue ---  
A. It is not untrue.
819. Q. And that it is borne out as being untrue by Mr. Womersley's letter. A. Well, all I can say, sir, is that I speak the truth, I always have spoken the truth, and my understanding is that I was not consultant to O.S.B. I clearly understood that I should be advising in some sense on O.S.B. affairs, but my appointment was as consultant to Mr. Poulson. And I don't know, sir, but here again you may be helped if you see in what way this was entered on my Inland Revenue form, whether I was put down as consultant to O.S.B. or to John G. L. Poulson, because I am quite certain that I informed Mr. Womersley that I had been appointed consultant to John G. L. Poulson.
820. Q. I am obliged, and in due course this will no doubt emerge.  
A. Thank you.
821. Q. What sort of consultancy services did you give to Mr. Poulson between March, 1969 and December, 1969? A. March, 1969 and December, 1969, basically only in respect of one, and that is when I accompanied Mr. Poulson in his position as architect and not in his relationship to O.S.B., and I accompanied Mr. Poulson to Teesside where we had a meeting with the racehorse committee, because at that time I think - I am not sure but these facts can be confirmed - that Mr. Poulson was consultant architect in respect of what we described as a miniature Disneyland, where you were going to use not part of the race-course but part of the curtilage.
822. Q. Whilst you were out at Teesside, did you visit a Mrs. Cunningham?  
A. No.
823. Q. Do you know Mrs. Cunningham? A. I have never met Mrs. Cunningham.
824. Q. Have you ever had any dealings with that lady or her husband?  
A. I have had dealings with her husband, yes.
825. Q. Would you like to describe what those dealings were? A. Yes. I was asked by Mr. Poulson if I knew a Mr. Andy Cunningham. Shall I go on?
826. Q. Yes. A. And I said no. He said, "Well, I would like you to meet him", and Mr. Poulson took his car - I forget the dates - and we got up there one afternoon.

827. Q. Got up where? A. Oh, I don't know - some hotel.
- 828., Q. In which part of the world? A. I think Chester-le-Street, or somewhere there.
829. Q. Near Teesside, yes. A. Yes. I would guess it was Chester-le-Street. I was introduced to Mr. - as he called him - Andy Cunningham. On the way up in the car, Mr. Poulson - I am pretty sure of this though my hearing is not too good, particularly in a car - had indicated to me that Mrs. Cunningham had previously been employed in the O.S.B. office at Newcastle. Now, I was only in that office I think once, but there was an architects' office in Newcastle, and a room in that office was reserved for O.S.B. with telephone, and so on and so forth. I understood from Mr. Poulson that Mrs. Cunningham had previously worked for O.S.B.
830. Q. Was it on this visit to Chester-le-Street that you went to Disneyland? A. No.
831. Q. Another visit? A. Quite a separate visit. That was when we visited the race-course committee, for Disneyland.
832. Q. How does Mrs. Cunningham come into this matter? What did Mr. Poulson say he wanted to do for Mrs. Cunningham? A. She does not come into Disneyland at all.
833. Q. I see. Well, you apparently had some conversation with Mr. Poulson relating to Mrs. Cunningham? A. No; Mr. Poulson had conversation with me relating to Mrs. Cunningham.
834. Q. You mean you just sat quiet and did not say a word to him? A. Well, I cannot say a word in a car; I cannot carry on a conversation in a car.
835. Q. So it was a one-sided conversation? A. Going up in the car, yes.
836. Q. Like your correspondence with Mr. Poulson, one-sided? A. Well, I think that is most unfair, if I may say so.
837. Q. At any rate, what did Mr. Poulson say to you in the car to which you did not reply? A. I understood Mr. Poulson to say that Mrs. Cunningham had previously worked in the O.S.B. offices at Newcastle.
838. Q. And what did he want to do for Mrs. Cunningham? A. He wanted to appoint Mrs. Cunningham as an agent for O.S.B.
839. Q. What was she going to do? A. What was who going to do? I gathered she was going to go into the Newcastle office. That was my understanding.
840. Q. And what did you say to that? A. Well ---

841. Q. Nothing? A. That is not true, you know.
842. Q. I see. Well, what did you say? A. That is not true, because, you see, when I came back and there was this question of the employment of Mrs. Cunningham, and a Mr. Rooke at that time was acting as secretary of O.S.B., and the terms of the appointment of Mrs. Cunningham had been changed, and I said "I am certainly not going to agree to Mrs. Cunningham being employed by O.S.B.", and Mr. Rooke thereupon got on the phone to Mr. Baker. Mr. Baker came down to the O.S.B. offices and I said, "If you want Mrs. Cunningham, then the appointment must be yours. I cannot appoint Mrs. Cunningham to O.S.B.", and ---
843. Q. Was it your understanding that Mrs. Cunningham was going to get some money as a result of this appointment? A. No -- money, yes.
844. Q. How much? A. Five pounds per house; I think that was the agents' fee.
845. Q. Five pounds for what house? A. For any house that she was responsible for selling for O.S.B.
846. Q. And what was wrong with that if she was capable of selling houses? A. No, because it defeated --- What I am saying is that it was changed.
847. Q. What was it changed to? A. I am saying that that was the normal condition under which agents were appointed, and then when it came to the actual offer of a post to Mrs. Cunningham, then O.S.B. were being asked to appoint Mrs. Cunningham, I think it was at a salary of £1,500 a year. I think I am right in my recollection of that. Rooke and I agreed no, that as O.S.B. we just could not do this, and therefore if the appointment was to be made it must be made through Ropergate Services and Mr. Vivian Baker.
848. Q. What was Ropergate Services? We have not heard of that company today? A. Pardon?
849. Q. What was Ropergate Services? A. Ropergate Services? Ropergate Services was a company, I gather, which Mr. Poulson was chairman of and through which was canalised most of the payments as far as the separate companies were concerned.
850. Q. What do you mean by "canalised"? A. What do I mean by "canalised"?
851. Q. Yes. A. I mean the actual payments were made. For example, let me put it to you this way - and this is all in the memorandum that I produced, you know - I discovered when I had been working

for O.S.B. for a matter of three or four months and I had been probing into the way that this was formulated, that in so far as salaries, in so far as office accommodation, etc. is concerned, in so far as the outgoings of O.S.B. were concerned, that these were paid by Mr. Poulson through Ropergate Services Ltd. That is what I am saying, and that is all I know about Ropergate Services Ltd.

852. Q. Were your consultancy fees paid through Ropergate Services?  
A. Not that I noted, no. I think my consultancy fees were paid by John G. L. Poulson, which was the architectural side of the business.
853. Q. Did Mrs. Cunningham get the job with O.S.B.? A. Pardon?
854. Q. Did Mrs. Cunningham in the end get the job with O.S.B.? A. I am sure she got the job because I got a copy letter from Vivian Baker in which he was offering this appointment to her, and a covering letter to Mrs. Cunningham apologising for the delay.
855. Q. Was it your understanding that she was really going to do no work at all for the £1,500 a year? A. I didn't even know she was going to get £1,500 a year, because I would not agree to those terms of contract being entered into by O.S.B.
856. Q. You mentioned a moment ago that you thought her salary was to be £1,500 a year? A. That is right, because that was on the changed terms of the agreement which I refused to accept.
857. Q. Did Mr. Poulson regard her as another of his consultants?  
A. I have no idea. I have never met Mrs. Cunningham in my life. I have met Andrew Cunningham twice; I was introduced to him by Mr. Poulson; it would be somewhere October or November, I would think, in 1969. I have never seen him from that day to this.
858. Q. Now, you severed your connection with Mr. Poulson, as you say, in December, 1969? A. In December, 1969.
859. Q. Is it right, Mr. Sales, that on the 1st January, 1970, you transferred Handley Cross to your wife as a gift? A. I did, yes.
860. Q. Why did you do that? A. I did that because that was consistent with the previous arrangement. My wife was going to sell her shares and my wife sold her shares in order that I could settle the mortgage, and there is correspondence, or a letter. I think I did write to Mr. Robinson on this. First of all, I phoned his office; I asked him for the amount which was outstanding. He gave me the amount, and then my wife sold

her shares and cleared off the mortgage, so it was my wife's house, which was the arrangement that we had come to in 1966 had it not been for the intervention of Mr. Poulson.

861. Q. Why did you not repay Mr. Poulson's loan? A. Pardon.

862. Q. Why did you not repay the loan which you say Mr. Poulson had made to you at the same time? A. Mr. Poulson at no time advised me that he wanted the loan repaying. I did not know that my connection had been wholly severed as far as Mr. Poulson and his organisation was concerned. I had had a letter from Mr. Poulson in which he commended the work that I had done for O.S.B. and inviting me to meet him and his wife in order to discuss whether or not I would change my mind. I did so visit Mr. Poulson. I was adamant that I would not change my mind as far as running O.S.B. was concerned, and he then asked whether or not I would be interested in another company. I said "Well, what company?". I cannot be clear on this because I am not quite certain of which company it was, but I do know that it was a company which apparently was to be sponsored by a Mr. John King.

863. Q. Did you ever offer to repay Mr. Poulson the loan? A. No. I never offered to repay him. If I had known that Mr. Poulson was in trouble I would certainly have offered. I didn't know that Mr. Poulson was bankrupt, and all I am saying to you is that even when I resigned from O.S.B. I got this invitation from John Poulson to join another company of which I gather that the sponsoring person was a Mr. John King. I was asked to telephone Mr. King ---

864. Q. Mr. Sales -- A. Yes.

865. Q. When did you first know that John Poulson was in financial difficulties? A. I did not know that Mr. Poulson was in financial difficulties until I saw it on television.

866. Q. Did you in November, 1969, go to see a Mr. Grimwood? A. I did, yes.

867. Q. What did you discuss with him? A. Mr. Grimwood discussed with me - and I made a note of this meeting - he put it to me that there was going to be a complete reorganisation of Mr. Poulson's companies. He understood that O.S.B. was now well managed. He asked me what I thought of the contributions made by the two Mordens. He asked me who owned the company in terms of the shares of the company, and he merely said that he would be getting in touch with me. I also handed to Mr.

Grimwood the three copies of the memoranda that I had prepared which gave an assessment of the viability of O.S.B. Now, I did that because Sir Bernard Kenyon, who was chairman before I was chairman, during the time I was even a member, always wanting to shut O.S.B. up.

868. Q. Now, Mr. Poulson in fact became bankrupt in this Court at the beginning of this year. A. Yes.
869. Q. When did you know that he had become bankrupt? A. As I say, I think when it was on television.
870. Q. Did you bother then when you saw it on television to get in touch with Mr. Poulson and offer to repay the loan? A. No.
871. Q. Why not? A. I thought that would have been improper.
872. Q. Why? A. Well, I don't know; because, as I say, I did not take any steps. You have asked me.
873. Q. You know, Mr. Poulson in his statement of affairs when he put down his debts to the Court, he does not mention you as owing him any money at all. A. All I can say is that I did repay the money that I owed to Mr. Poulson through my solicitor.
874. Q. Now, when you had disposed of the house --- A. Which house?
875. Q. The house in which you are living? A. I have not disposed of it.
876. Q. Have you not? A. No.
- MR. RADCLIFFE: You mean to his wife?
- MR. GRAHAM: No; I wish my friend would not interrupt.
- MR. RADCLIFFE: There is no evidence before the Court that ---
877. MR. GRAHAM: On the 1st January --- A. I am sorry; you mean when I ---
878. Q. Are you suggesting that it was not really transferred to your wife at all? A. Oh, don't be ridiculous, sir. When you say "disposed" I think you mean sell the house. You say did I dispose of the house; I have already said that on whatever the date is that I transferred the house to my wife. The reason I transferred the house to my wife is that my wife was wishful to buy the house by the sale of her shares in 1966. Because of the intervention of Mr. Poulson, this did not come about. When I resigned from the board in 1969 I phoned Mr. Robinson's office and asked what was outstanding on the mortgage. My wife sells her shares and the money was paid, the mortgage was redeemed out of the money provided by the sale of my wife's shares. Therefore, it seems to me quite natural ---
879. Q. When you originally bought the house with Mr. Poulson's

- assistance --- A. Yes.
880. Q. You say you obtained a loan from him? A. That is right, yes.
881. Q. Why, when the house is transferred to your wife, does she not pay off Mr. Poulson as well as the mortgage? A. Because of the understanding that I had with Mr. Poulson, that any monies I earned from his companies and from his consultancy would be canalised into the repayment ---
882. Q. But in 1969, December, 1969, just before you transferred the house to your wife you had severed your connection with Mr. Poulson? A. I had not. I am sorry. You will find from the minutes that I said that I had not severed my connection. I was invited by Mr. Poulson to continue with my services inside another company. I phoned a Mr. King; Mr. King replied to me -- I have the letters where Mr. King replied -- and the offer never came.
883. Q. When the offer never came --- A. But I will tell you ---
884. Q. Yes, you carry on. A. The offer never came, but Sir Bernard Kenyon, I gathered, did join that company, and that is my first knowledge of that.
885. Q. When the offer never materialised did not that mean that it was the end of your connection with Mr. Poulson? A. Well, not necessarily.
886. Q. You were living in hopes of more from Mr. Poulson? A. I was not living in hopes of more from Mr. Poulson.
887. Q. Were you living in hopes that it would not be necessary to repay the loan? A. No, I was never living in hopes that it would not be necessary to repay. If I had known that Mr. Poulson was in this kind of trouble I would have had no hesitation whatsoever in offering to repay that loan which he had lent to me for the purchase of Handley Cross.
888. Q. Did you have any money of your own with which to repay the loan at that time? A. At that time, yes, because I had retired from the Board.
- 888(a) Q. You would have had sufficient to repay the loan out of your own monies? A. Easily. I think you will find in the statement that I made this morning that I received £13,000, or thereabouts, from the National Coal Board on retirement.
889. Q. But nonetheless, with the passage of time as it is becoming more and more plain to you that Mr. Poulson is not going to utilise your services any more, you keep quiet about the loan?

- A. I didn't keep quiet. Who did I keep quiet with?
890. Q. Why did you not go to Mr. Poulson and say, "Is it not about time I repaid the loan"? A. No, no; you say that I kept quiet about the loan. Who do I keep quiet with?
891. Q. You never told anybody about this loan until the Trustee in Bankruptcy in August of this year, some two and a half years later, wrote to you about the matter? A. Immediately they wrote to me I acknowledged this loan and I said, "The only person with whom this has been discussed is with my wife", and I do attach some importance to matters of family privacy. Why should I discuss this matter of the loan from Mr. Poulson with anyone outside the family circle.
892. Q. You mean you discussed this matter with your wife whether you should tell anybody about the loan? A. Good Lord, no; I don't discuss with my wife; my wife takes the same view as myself that we do not discuss our business with outside people.
893. Q. Now, I mentioned earlier on that you visited a Mr. Glover at the Coal Board in connection with the purchase of the property. A. About the purchase of the property, yes.
894. Q. Now, Mr. Glover remembers you going to see him because he wrote to Mr. Marr about it. A. Oh, yes.
895. Q. Have you any idea why you went to see Mr. Glover, the Legal Adviser to the Coal Board about the property? A. I do not ---
896. Q. You had your own solicitor. Why did you have to go and see the solicitor on the otherside yourself? A. Well, you say that I had my own solicitor. I had a solicitor provided for me by Mr. Poulson. I had never met Mr. Marr; that is point No. 1. Now, point No. 2, what did I say to Mr. Glover; I have no recollection of what I said to Mr. Glover. I don't know the date of it, but if it is following my return from America I would probably ask Mr. Glover whether or not any progress had been made concerning the house. I don't know. What does the letter say?
897. Q. Do you remember ever discussing with Mr. Glover the question of that is to go into the contract ---

MR. RADCLIFFE: Well ---

MR. GRAHAM: No, no.

MR. RADCLIFFE: If you are referring to a letter he is entitled to look at it.

THE REGISTRAR: He is referring to a discussion at the moment.

THE WITNESS: Yes; what were you saying?

898. MR. GRAHAM: Do you remember having any discussions with Mr. Glover about what was and what was not to go into the contract between you and the Coal Board in relation to the acquisition by you of Handley Cross? A. No. They were the sellers; I was the buyer.

899. Q. And you had a solicitor acting for you? A. I had a solicitor acting ---

900. Q. But you had never met him? A. I had never met him, no.

901. Q. Would you now look at a letter of the 20th May, 1966, to your solicitor, Mr. Marr, from Mr. Glover? Would you look at the postscript to that letter? "Since dictating this letter I have had Mr. Sales to see me to enquire about the covenant lettered 'C' in the standard form of mineral reservation attached to the draft contract. This covenant is, I think, inapplicable to the circumstances of this sale and should therefore be deleted." A. Yes.

902. Q. Why were you taking that sort of matter up with Mr. Glover? A. I really don't know, but I would have thought that in terms of standard contracts - I don't know. This form of mineral reservation, I think that I would have mentioned it to Mr. Glover because he is the expert as far as mineral reservations and subsidence problems are concerned. And don't forget that I was Chairman of the Board, of which Mr. Glover was Divisional Legal Adviser.

903. Q. And you were buying a property from the Board, were you not, and you had your own solicitor. Why should you interfere? A. Why not interfere? If you describe that as interference, I can only say that this is a stretch of your imagination or a mis-use of English. That is what I say.

904. Q. You were not prepared to leave it to your solicitor? A. I am prepared to leave everything to my solicitor, but you tell me, what is wrong in that?

905. Q. Mr. Sales, you were the Chairman of the Yorkshire Division of the National Coal Board? A. That is right.

906. Q. You were obviously a man who knew how to get things done; you were the boss of the Coal Board in the Yorkshire Area, were you not? A. I was the Chairman.

906. Q. You were not prepared even to deal direct with the people who were going to lend you money on your house, to buy your house, you would do it through Mr. Poulson? A. That is sheer fantasy. As I say, there is absolutely nothing sinister

in this. As a matter of fact, at the time when Kenton Homes were pressing me as far as the overhead lines were concerned, one of the first fellows I went to, as a friend, was Chalres Glover, and said, "What is this about?" Now, what is the difference between that and this? I cannot see anyting in there. If you will tell me what it is - what is it?

907. Q. If you are prepared to deal with these matters yourself, why is it you are prepared to trust to Mr. Poulson in dealing with the Wakefield Building Society? A. Because there are -- It seems to me that in terms of purchasing a house there are two sides to the equasion; there is the buying side and there is the selling side. Mr. Glover was representing the interests of the Coal Board. I, as the purchaser of the house, taking Mr. Marr as the solicitor, through Mr. Poulson, was the purchaser of the house, and I can see nothing wrong at all in what you are suggesting as far as that P.S. is concerned.
908. Q. Had you previously relied upon Mr. Glover for legal advice in relation to other matters concerning you? A. Yes, of course. I mean, Mr. Glover, any legal matter that came before the Divisional Board ---
909. Q. No, but in relation to your own personal affairs? A. Pardon?
910. Q. In relation to your personal affairs? A. In relation to personal affairs, yes. I asked Mr. Glover trivial matters.
911. Q. Apparently afterwards you went to consult Mr. Glover, is that right? A. Of course, I 'phoned Mr. Glover up when Kenton Homes were pressing on this electric line - my private electric line - and I paid a vayleave to the Doncaster Corporation in respect of this line, and I 'phoned him up and said, "Do you know anything at all about it?" He said, "Come and have a word with me." I mean, this is just simply fantastic.
912. Q. Did you ever discuss with Mr. Glover the value of this house? A. Which -- Discuss with Mr. Glover the value of Handley Cross? Mr. Glover knew the valuation of Handley Cross.
913. Q. Did he? A. Yes, of course. It was valued by an outside firm of valuers and it was valued at £12,000.
914. Q. Well, we shall see in due course what Mr. Glover did know about the valuation of the house. A. Well, surely - I do not know anything at all about house purchase, etc. on that side, but is not the price stipulated?
915. Q. You had discussions, quite plainly, with Mr. Glover about deleting the mineral reservation covenant. A. I probably

- said to him, "What the hell is this all about?"
916. Q. And what did he say? A. Pardon?
917. Q. What did he say? A. Obviously what he said - it is there in the postscript.
918. Q. Did he say, "We don't normally delete it, but we may make an exception in your case." A. No, he said that this covenant was, I think, inapplicable to the circumstances --
919. Q. What did he say to you? A. I really do not know what he said to me, but I am assuming that Charles Glover would not speak in this language to me. He would probably say, "Forget it, this does not apply."
920. Q. You were only wanting to live in this house, what was it of interest to you -- A. Pardon?
921. Q. You were only wanting to live in the house; is that right? A. Yes.
922. Q. Why were you so concerned with getting rid of mineral reservation rights from the National Coal Board? A. I was concerned. I do not know, but I would assume, if you check your record, that probably this was a question that was raised by Mr. Marr. Am I right or wrong? I do not know.
923. Q. You were sufficiently interested to take it up direct with Mr. Glover. A. That is quite right, according to this I did take it up direct. I would be asking, "What is this about mineral reservation?" But there was nothing more to it than that.
924. Q. And if you were only going to live there, what did it matter to you if there were mineral rights for the Board underneath it, you would not have been concerned -- A. It matters a hell of a lot.
925. Q. Why? A. Why? Because I have already suffered from subsidence.
926. Q. Where have you suffered from subsidence? A. Because there are two collieries; there is Markham Main and there is Yorkshire Main, and as far as Markham Main is concerned, my understanding is that the extraction of the mineral comes approximately through my house, and I had already registered with the Coal Board. It was not admitted by the Coal Board, but I think access to their files will show that I had registered certain damage to my property, namely cracks.
927. Q. It was not your property, it was their property? A. Pardon?

928. Q. It was not your property. A. When?
929. Q. Before 1966. A. No. Well, what are we talking about?
930. Q. I am trying to find out why you should be so concerned to remove the mineral reservation clause from the contract.  
A. I ---
931. Q. The Board's job was to keep minerals for itself, was it not?  
A. No, no. I do not know. You see, I am not an expert on mineral reservation, but I am pretty certain that Charles Glover is an expert on mineral reservation, and if you ask me what this mineral reservation clause is, I would not know.
932. Q. You see, in the actual conveyance -- A. Yes.
933. Q. In the actual conveyance, the very last one of the obligations taken on by the Board, is apparently, "Except as provided by the Coal Mining Subsidence Act, 1957, the Board shall not be liable to make good or pay compensation for any damage whatsoever caused directly or indirectly by or in consequence of the exercise of the rights powers and easements aforesaid or of any mining operation either of the Board or of any other person prior to the date of the conveyance of the said land to the purchaser doing mining operations affecting the said land."  
A. Yes.
934. Q. Now, what did that mean? You were the Chairman of the Coal Board, you must have known all about subsidence? A. As Chairman of the Coal Board I employed experts on subsidence matters, but as I interpret that, it means that one could claim for damage to a house if one could establish that it was due to mineworking in or about the house and subsidence occurred, but if you ask me about mineral reservation I am not quite clear - I can guess what it is.
935. Q. Well, you were sufficiently anxious about the matter to go and see your old friend Mr. Glover. A. No, no, I was not sufficiently anxious about the matter. I have no doubt I cannot cast my mind back to that precise time when I saw Charles Glover, but I probably would go with an open mind to raise a question. But mineral reservation, I do not know, it may refer to the leaving of pillars on the building, or something of that kind - I do not know.
936. Q. Now, you say, do you, to summarize -- A. Yes.
937. Q. That Mr. Poulson made you an interest free loan to be repaid when? A. To be repaid out of money which I earned as a

consultant and as a director of his companies.

938. Q. And if you did not earn those monies were you to repay the loan, or not? A. If I did not earn those monies I would have felt myself under an obligation to repay.
939. Q. But, in fact, you did not raise any question of repayment until the Trustee approached you? A. No, because there was no doubt in my mind, on the basis of the assurances that were given by Mr. Poulson, that I would more than earn these monies in a relatively short period of time.
940. Q. I am asked to draw to your attention the actual covenant.  
A. Yes.
941. Q. Which was deleted as a result of your meeting with Mr. Glover, and what it says is this: "The Purchasers shall in the conveyance of the said land covenant with the Board to the intent and so as to bind so far as practicable the land and any part thereof into whosever hands it may come" and so on "and to benefit and protect any mines and minerals in which the Board have any interest and which provide subjacent or lateral support for the said land or any part thereof but not so as to render the Purchasers personally liable in damages to any breach of covenant committed after they shall have parted with all interest in the land in respect of which such breach should occur that no new building structure or works and no addition to any building structure or works shall at any time be erected constructed or placed on or in the said land or any part or parts thereof except in accordance with the plans and specifications previously produced by the Purchasers to the Board and containing such reasonable provision for minimising damage caused by subsidence as shall be agreed between the Board and the Purchasers", and then they deal with the provision as to any dispute being determined by arbitrator. A. Yes.
942. Q. The essence of this, is it not, is that you would be free to put up buildings on the land without the consent of the Coal Board? A. I really would not know, I would not think so. I mean --
943. Q. I put it to you that the reason why it was so important --  
A. There are conditions and reservations there, are there not, that you read out to me. I mean --
944. Q. I put -- A. If I may say so, I really do not see what the point of your question is.
945. Q. I put it to you, Mr. Sales, that the point is a very simple one.  
A. Yes.

946. Q. That you would not have been so concerned to get Mr. Glover's consent to the deletion of this clause unless you applied your mind to the question of putting<sup>up</sup> houses, or doing a development in relation to the land? A. Oh, no, no, no. I would think - I do not know - I would think that this was a question which was raised by Mr. Marr and not by myself, and I would think - I do not know - that in conveyances for the conveyance of property for the south of England that there would be no such clause as this - I do not know, I am speaking right off the top - but that this is a common clause as far as the north of England is concerned wherever one is extracting minerals from the ground, and that is the reason why, I think, probably Mr. Marr raised it with Mr. Glover. I would go and enquire about the covenant lettered (c) in the standard form - a simple enquiry. But there is nothing more to it than that. I do not know what the point --
947. Q. Who do you say Mr. Marr was acting for, you or Mr. Poulson? A. I would say that Mr. Marr was acting for me through Mr. Poulson.
948. Q. Mr. Poulson paid the bill? A. Pardon?
949. Q. Mr. Poulson paid the bill - £176? A. I think so.
950. Q. You have never paid the bill for this. A. I did not pay the bill, no.
951. Q. You did not pay one penny piece of the purchase price other than the mortgage? A. No.
952. Q. And you did not pay the mortgage otherwise than through Mr. Poulson - the £84 a month? A. That is quite true, that was precisely the arrangement that we made.
953. Q. And when you dispose of the land to your wife you still do not take any steps to discharge the loan to Mr. Poulson? A. I did not take any steps to discharge that loan (1), as I have said, because the options were still open for me to join this new company, and I thought that an offer would be made through Mr. King as far as that company was concerned, and (2) it was not until the television appearance that I realised that bankruptcy was involved.
954. Q. So you yourself have not put a penny piece into this house? A. Pardon?
955. Q. You yourself have not put a penny piece into this house? A. You mean me as an individual or me --
956. Q. It has all come from Mr. Poulson or your wife? A. Well, it

has certainly come from my wife.

957. Q. Nothing from you? A. I have not got anything.

958. Q. All Mr. Poulson? A. Pardon?

959. Q. All from Mr. Poulson? A. What do you mean "all from Mr. Poulson"?

960. Q. It was Mr. Poulson's solicitor? A. Yes.

961. Q. Mr. Poulson paid the fees? A. I have already said that.

962. Q. Mr. Poulson paid the purchase price other than the mortgage?  
A. I have already agreed that.

962. Q. Who finds the Building Society? A. I have already agreed that. I have nothing to hide, sir, nothing whatsoever.

963. Q. And who paid the mortgage instalments until 1970? A. Pardon?

964. Q. Who paid the mortgage instalments until 1970? A. They were paid by Mr. Poulson as my consultancy fees.

MR. GRAHAM: Sir, I have no further questions this afternoon, but quite plainly the notes have given rise to a number of enquiries that the Trustee would wish to make. As I indicated earlier on this afternoon we should like an opportunity to look through the correspondence which Mr. Sales has been kind enough to produce, some of which I have already had an indication as to their contents, and they do appear to be very helpful to the enquiries that the Trustee is making in a number of directions.

THE REGISTRAR: Yes.

MR. GRAHAM: I would wish, for the moment, that this examination should be adjourned generally with liberty to restore in the event that the Trustee's enquiries should require any further questions to be put to Mr. Sales.

THE REGISTRAR: Is seven days' notice sufficient?

MR. GRAHAM: I would be content that Mr. Sales should have even longer. I am sure that seven is -- I do not want in any way to be hard, and I think seven is a bit short. I would think fourteen.

THE REGISTRAR: Yes, I will adjourn to a date to be fixed then, to be restored on fourteen days' notice.

MR. RADCLIFFE: Your Honour, may I just mention the subject of costs? I know what it says in Williams, but there may be some other practice nowadays. I understand that if the Trustee in Bankruptcy should decide to take proceedings against Mr. Sales and should Mr. Sales win in those proceedings, he would be entitled to his costs today, so might I ask that the subject of

costs be reserved too?

THE REGISTRAR: It will certainly be borne in mind. I could not deal with it until the private examination of Mr. Sales is concluded.

MR. RADCLIFFE: Yes.

MR. GRAHAM: I should go on record as not accepting my learned friend's proposition, but I do not think it is necessary to deal with the matter today.

(Proceedings adjourned)