

1967/26

IN THE PRIVY COUNCIL

No. 17 of 1966

ON APPEAL FROM THE SUPREME COURT OF NEW  
SOUTH WALES

B E T W E E N:

WOOLWORTHS LIMITED (Defendant) Appellant

- and -

STIRLING HENRY LIMITED (Plaintiff) Respondent

B E T W E E N:

STIRLING HENRY LIMITED (Plaintiff) Appellant  
(By Cross-Appeal),

- and -

WOOLWORTHS LIMITED (Defendant) Respondent  
(By Cross-Appeal)

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RECORD OF PROCEEDINGS

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VOLUME II

Pages 341 to 685

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DEFENDANT'S EVIDENCE

No. 12

RALPH HOWARD FLEMING  
Sworn, examined, deposed:

In the  
Supreme Court  
of New South  
Wales

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Ralph Howard  
Fleming  
14th December,  
1965  
Examination

10 TO MR. MEARES: My name is Ralph Howard Fleming.  
I live at 45 Minamurra Road, Northbridge. I am  
an employee of Woolworths. I have been employed  
by them for approximately 33 years; until  
approximately the middle of February 1957 I had  
been for some years the manager of Woolworths'  
London Office.

Q. You came back from London and you took over  
as merchandising manager from Mr. Wilson some  
time later? A. I took over as merchandise  
manager in about December 1958. When I  
returned from London I returned as merchandise  
controller.

20 Q. Did you have dealings with Stirling Henry  
at any time prior to July 1961 in relation to  
purchases by Woolworths of Stirling Henry's  
fully fashioned hosiery? A. Yes, I had  
dealings with Stirling Henry as from March 1957.

Q. At that time was Mr. Cooper under your  
control and buying hosiery on behalf of  
Woolworths? A. Yes.

Q. From time to time did he have discussions  
with you concerning negotiating prices of this  
hosiery of Stirling Henrys? A. Yes.

30 Q. From time to time as a result of the dis-  
cussions you had with him did you participate  
in this discussion of prices with Mr. Wainberg  
and Mr. Stopford who represented Stirling Henry?  
A. I did.

Q. Could you give the Court an idea as to how  
many such discussions you had up until the  
beginning of July 1961? A. I would say between  
1957 and 1961 I would have had interviews  
numbering approximately six.

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Q. As far as those interviews were concerned could you tell me on the basis of negotiating as to what attitude you expressed to Mr. Wainberg and Mr. Stopford from Woolworths point of view?

A. At all the interviews I had with Mr. Wainberg and Mr. Stopford, or Mr. Stopford, I was always emphasising to them that the prices that they were expecting us to pay were higher than the current market prices and I was always endeavouring to reduce the prices down to something more in line with market prices. If I may go back to the first interview I had subsequent to my return from England, there had been an arrangement made whereby we would draw X number of dozens of hosiery from Stirling Henry and the prices were fixed, one price to operate for six months and a subsequent price to operate for the subsequent six months. That arrangement was made in February 1955.

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Q. I think it was May, actually? A. Deliveries commenced in February 1956; the arrangement was made in 1955. Deliveries commenced in February 1956. I returned in February 1957 and at that time the second price which had been arranged by Mr. Wilson should have been in operation. It had not been brought about as being effective but my first approach to Stirling Henry was to bring into effect the agreement which had originally been made. In fact I do not remember the exact figures but I know that following our discussions, whilst the prices were reduced, they did not come down even to that figure which had originally been agreed on.

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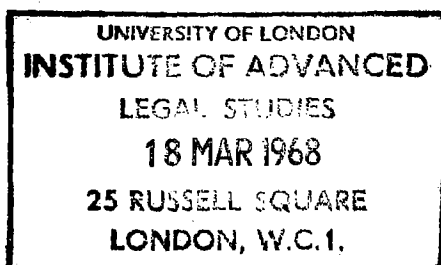
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Q. Thereafter, up until the beginning of July 1961, as far as negotiating new contracts with Stirling Henry was concerned, did you maintain any attitude one way or the other as to whether you were bound to continue to buy from them?

A. Yes, I was very emphatic on this point, Mr. Meares.

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HIS HONOR: Q. This is your own comment to the Stirling Henry people? A. Yes.



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TO MR. MEARES: I was quite emphatic in my discussions with Mr. Wainberg and Mr. Stopford that as far as we were concerned the agreement that had been originally entered into was for the nominated number of dozens of stockings, which was 50,000 dozen, in a period of 12 months. Thereafter any arrangements that we made were by negotiating and I maintained we were not bound to that at all.

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10 Q. On the other hand, what was the attitude of Mr. Wainberg, expressed to you? A. At any time when discussions of this nature came up with Mr. Wainberg, he always referred back to this so-called agreement that he had. He used to say to me "But we put in a plant for you" and I used to say to Mr. Wainberg under those circumstances "But surely, Alec, you do not expect this to go on in perpetuity?"

20 Mr. Wainberg is a very difficult man to carry on some of these negotiations with, Mr. Meares. I have found it extremely difficult ever to have a coherent subject for discussion step by step with Mr. Wainberg where we can arrive at.

MR. BOWEN: Can we have the witness's emotions?

WITNESS: I am sorry if I am being too long with this. I was just trying to convey the difficulties.

30 HIS HONOR: You give the evidence the way it suits you; you are not being too long.

TO MR. MEARES: I was trying to convey the difficulties we experienced in our negotiations with Mr. Wainberg in conditions where I felt that Stirling Henry were being very favoured by our company and it was only that they were a regular supplier of ours employing a fairly substantial number of staff that we allowed the conditions to continue, which otherwise we may not have permitted.

40 Q. Did you ever have mentioned to you in these earlier days the expression distressed prices

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by Mr. Wainberg? A. No, distressed prices were never mentioned to me.

Q. What do you understand by distressed prices? (Objected to; allowed). A. A distressed price is where a manufacturer or a merchant is holding stock and he is badly needing liquidity and he has to sell that stock to provide finance for himself.

Q. Insofar as merchandising is concerned, you have had a very vast experience of it, have you? 10  
A. My whole working life has been in merchandise.

Q. You have been concerned not only with limited types of merchandise but many types? A. I have ranged right across the whole variety of merchandise stocked by the company.

Q. Insofar as Stirling Henry was concerned, in relation to their prices compared with prices that you were obtaining from the rest of the trade was there ever any discussion between you and Mr. Wainberg as to any conditions that they had 20  
by way of advantage over other manufacturers?  
A. Yes. Mr. Wainberg and I discussed this on a number of occasions; as a matter of fact, many occasions because these things were rehashed and rehashed time and time again.

Mr. Wainberg used to argue that he only had one source of supply; he had no means by which he could average his prices; he had no means by which he could charge higher prices for proprietary brands. Generally this argument 30  
from Mr. Wainberg was one that was always forthcoming. In turn, I used to point out to Mr. Wainberg - I would say "Oh, Alec, heavens above, Eric Cooper practically manages your factory for you. You have no manager in the factory, virtually. You have no selling costs. You do nothing but turn it out 24 hours a day, six days a week and expect us to take it at the end of the factory; yet you keep coming up with this all the time." 40

Stirling Henry were very favoured as compared with other manufacturers in this sense,

not having to worry about salesmen, not having to worry about advertising expenses, not having to worry about all those miscellaneous charges - and I will include bad debts - that are faced by a manufacturer.

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These discussions with Mr. Wainberg were of a more or less continuing nature. This went on for a long time.

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10 Q. In 1961 did Mr. Wainberg suggest that he should see Mr. Kelly? A. Yes. Mr. Wainberg was being pressed by us for reductions in prices and he used to get somewhat exasperated at this continuing pressure from us, because he might agree to a new price one month and then a couple of months later or maybe less, we would be pressurising him for a lower price still. So Mr. Wainberg felt it was time or it would be to his advantage to have a discussion with the managing director of our company. Frankly, I welcomed the suggestion as I also wanted to have a discussion to see if we could get some rationalisation of the situation.

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Q. Was the discussion held? A. It was.

Q. Who were present? A. On behalf of Stirling Henry, Mr. Wainberg and Mr. Stopford; on behalf of Woolworths, Mr. Kelly and myself.

Q. As far as this discussion was concerned, did it only last for a matter of minutes or not? A. No, they never lasted for minutes with Mr. Wainberg. This would have lasted two or three hours.

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Q. Mr. Kelly was present throughout? A. Mr. Kelly was the chairman of this meeting.

Q. Whilst this discussion was taking place were you taking certain notes of it? A. Yes. The discussion was trying to hammer out a solution to the problems that had been put forward by Mr. Wainberg on the one hand and myself on the other. I was taking notes of the decisions arrived at on various points as they were hammer out.

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Q. Do you recall the first matter that was discussed? A. Yes, I do. After I had set out to Mr. Kelly the reason for the interview, one of the main points of contention as far as Mr. Wainberg was concerned was this continuing pressure by us for reductions in prices and he asked could not there be an agreement by which there would be some fixed time at which the price agreed on would operate; and the first point we actually agreed on was that there should be prices operating for a period of six months after they had been agreed on. 10

Q. Thereafter were there certain other points hammered out at this conference, namely the quantity which you were obliged to take?  
A. Yes.

Q. And the price? A. Not a fixed price. It was agreed on market price at the conference.

Q. That was agreed on? A. Yes.

Q. Subsequently did you reduce those notes into the form of a memorandum for Mr. Miller and Mr. Cooper? A. I reduced them into the form of a memo which I directed to Mr. Miller, whose responsibility was to pass it on to Mr. Cooper. 20

Q. After these points were hammered out, at the conclusion of the conference was anything said by Mr. Kelly on the one hand or by Mr. Wainberg on the other hand in relation to acceptance or otherwise of these terms? A. Yes. At the end of this lengthy discussion, Mr. Kelly enumerated various points that had been decided on and he said "Well, that's it. We have come to that" or words to that effect. 30

Q. What did Mr. Wainberg say? A. I do not remember precisely. No, I cannot remember.

Q. You are not certain of it? A. No.

Q. May I have this negative from you, that after Mr. Kelly went through the points of agreement did he say "Well, no, that is not what we agreed" or "That is nonsense" or anything like that?

A. No. He thanked Mr. Kelly. I remember him thanking Mr. Kelly for the interview and departed the best of friends.

Q. You made this record and you have a copy of it that you put in the files? A. I have in my possession a carbon copy in the file, yes. (Produced).

MR. MEARES: You may take it that is identical with Exhibit 1, which is in evidence.

10 MR. MEARES: Q. Your note of it is a memo to M.C.A.; who is M.C.A.? A. Mr. Miller.

Q. And you say "Although this was discussed with you verbally, we thought it advisable to put into writing agreements made with Mr. Wainberg"? A. Yes.

Q. And had you, before you wrote this out and addressed it to him discussed this agreement with him verbally? A. I discussed it with Mr. Miller and Mr. Cooper.

20 Q. And then you wrote out this formal memorandum of the agreement? A. Yes.

Q. Now to the best of your recollection, when did this meeting take place? A. On 7th July 1961.

Q. This was a Friday? A. A Friday.

30 Q. I think after this agreement a letter was seen by you from Stirling Henry, of 27th July 1961, in which it was stated "It seems to us that we must continue to rely on you for absorption of our production and rely on our agreement that you will not purchase elsewhere any fully-fashioned hosiery that we are able to produce until all our production has been absorbed by you." Now you saw that letter in connection with your duties as merchandise manager? A. I saw that letter come through.

Q. And when you saw that letter, what did you do? A. I immediately called Mr. Miller in and pointed out to him how contrary this was to the

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agreement that had been reached with the two managing directors, Stirling Henry's managing director and our own, and I asked him to immediately reply to that letter and advise that **that** was not in accordance with our agreement, which Mr. Miller did.

Q. And as far as this agreement that you and Mr. Kelly made with Mr. Wainberg, at which you and Mr. Stopford were present, did you take the view as merchandise manager that it was an agreement that was to be adhered to by Woolworths? 10  
A. Most certainly. This agreement was made, on the one hand, by the managing director of our company and myself, who was then the senior merchandising man in Australia, and Mr. Wainberg, the managing director of Stirling Henry and their merchandise manager, Mr. Stopford. There was no doubt in my mind, and we stuck to it.

Q. I think very shortly after August 1961 you ceased, by virtue of a change in your appointment, 20 to be concerned with the problems between Stirling Henry and Woolworths? A. Yes, that was August, September 1961.

Cross-  
Examination

CROSS-EXAMINATION

MR. BOWEN: Q. I think you told us you came into the matter early in February? A. I said I returned in February. I said I came into it in March 1957.

Q. You came into it in March 1957? A. Yes.

Q. And you had not been concerned in the actual negotiations of the 1955 agreement? A. No. 30

Q. But you did know that Stirling Henry, at the request of Woolworths, had built a hosiery mill, did you not? A. I was aware, yes.

Q. And you were aware that Stirling Henry, at the request of Woolworths, had bought machinery and plant to put into that building? A. I must not say Yes to that, because I am not aware that it was at our request at all. It could have been an agreement between the companies. I was not present and the only information I had regarding 40

it was the letter that I obtained after my return setting out the terms of the agreement for the 12 months.

Q. And I suppose you had a look at the file relating to this particular matter, did you?

A. No, I only had this letter. I did not know if there was any file. I got this letter, because Mr. Wainberg did not stop referring to it. I had to get it.

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10 Q. And you did not refer to the agreement of November 1955? A. I am not aware of an agreement in November 1955.

Q. Did not Mr. Wainberg ever refer to that?  
A. No. Could you tell me what was the subject matter? I cannot recall any agreement in November 1955.

20 Q. It is an agreement of 30th November 1955, which says that Stirling Henry had undertaken to supply Woolworths with nylon stockings to be manufactured by it to meet Woolworths' requirements in that regard; secondly, the requirement of Woolworths now necessitate increased supplies of such goods and to meet these requirements Stirling Henry have erected new buildings and have installed or will install additional machinery and plant at considerable cost; thirdly, that Stirling Henry have requested Woolworths to assist financially to meet the requirements which Woolworths have agreed to do  
30 on the terms specified therein. And then it goes on to deal with some financial arrangements. Were you aware of that agreement? A. Not at that time. I have become aware of that since.

Q. When did you become aware of it? A. Only at the commencement of this action.

40 Q. However, you were aware in 1957, were you not, that Woolworths had requested Stirling Henry to increase their machinery so that they could increase their production over and above that specified in the letter of 10th May 1955? A. No, I would never agree to that.

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Q. You were not aware of that? A. I was aware that new machinery was put in, but it was certainly not at our request.

Q. You are not aware it was at your request?  
A. No, I am quite aware that it was not put in at our request.

Q. How can you say that, if you do not even know of the agreement of 30th November 1955, when the agreement was made? A. I can, because I was present at a meeting with Mr. Wilson, when Mr. Wainberg came in to discuss the importation of further machinery.

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Q. I am talking about machinery referred to in the agreement of 30th November 1955, which was an increase of the machinery referred to in the letter of 10th May 1955, and which recites the arrangement under which they did so? A. I was in England in November 1955.

Q. You are not able to say whether that increase of machinery after the 1955 letter was at the request of Woolworths or not? A. There was an instance of an increase in machinery; there was only one increase in machinery by Stirling Henry, and I was present at some of the discussions dealing with that increase of machinery. Whether it is related back to that letter or not, I am not aware. It was certainly not in 1955. I would say it was some time in 1957.

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Q. You have told us very carefully, when I asked you a question about this, that you were abroad in 1955? A. That is right.

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Q. I put it to you that there was a request by Woolworths that they should install additional machinery to increase production, in November 1955? A. If there was, I was not aware of it.

Q. You understand that? A. Yes.

Q. And you say to me that you are not in a position to deny that there was any request for additional machinery to increase production in 1955? A. I am, by virtue of the fact that

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there was only one increase in machinery, and I was present at discussions dealing with an increase in machinery.

Q. So that you say that apart from the letter of 10th May 1955, there was only one request, and it must have been after you returned? A. Not a request by us. There was a discussion.

10 Q. And you are prepared to say, from your knowledge, that there could not have been any other machinery requested additional to that in the letter of 10th May 1955? A. Yes, I am prepared to say that.

Q. I think you would agree that production was coming from the Stirling Henry hosiery mill by the time you came into it, in March 1957, but it had not long been in production? A. It had been in production for 15 months.

20 Q. They had been in full production, or only partly? A. I do not know if it was full production, but they started producing in February 1956.

30 Q. And you would think that by March 1957, having built a mill and having bought machinery and plant and bound themselves exclusively to sell to Woolworths, that they were not entitled to expect that their exclusive supply arrangement would go on any lengthy period at all? A. They could expect the same sort of consideration which they were aware we gave to our old suppliers. They were very well aware of this, because of their knowledge of their previous dealings with us.

Q. How many other suppliers have imported machinery, built a building and bound themselves exclusively to you? A. To my knowledge, none.

Q. Well, how could they know how you would treat such a supplier? A. Stirling Henry dealt with us other than in hosiery.

Q. So, what you are putting is that they knew how you treated people who were not in any way

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bound to supply exclusively to you? A. Correct.

Q. And you suggest, therefore, they should be on the same basis after 12 months? A. That was the arrangement, yes. (Objected to).

Q. Now you have told us your view of the 1955 May arrangement, which was that it run for 12 months only, is that right? A. Yes.

Q. I suppose you read it carefully? A. Yes.

Q. After the expiry of 12 months, I think Mr. Wainberg continued to refer to it as binding?  
A. Correct.

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Q. But in your view it was this so-called agreement at that stage; would you mind having a look at it for the moment. (Witness shown Exhibit A). It says "This will confirm our discussion of the 6th May, to the effect that you will import and set up machinery to produce ladies fully-fashioned nylon stockings exclusively for Woolworths Limited." Pausing there, it is clear that they were coming into the fully-fashioned nylon stocking manufacturing for the first time, in order to supply exclusively to Woolworths?  
A. Yes.

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Q. "As discussed, it is anticipated this plant will be installed, and commence production early in 1956, and be capable of manufacturing 50,000 dozen in the first year of operation." That goes to the capacity, doesn't it? And if I may ask you at this point, you are aware that the additional machinery installed almost doubled that capacity subsequently? A. Yes.

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Q. Continuing with the letter "And as indicated, we are prepared to place with you contracts for 12 months production on the following basis, 30-denier, 51-gauge, 18,000 dozen, 15-denier, 60-gauge, 32,000 dozen." That is production, isn't it? A. Yes.

Q. And when they refer to contracts, they refer to these contracts at the beginning of the period placed by Woolworths with the supplier, is that

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right? (Objected to).

MR. MEARES: Unless the witness is being asked as to his credit, with respect, it can get us nowhere. If it is put on credit, I cannot object.

HIS HONOR: It is certainly not evidence of a proper construction of this contract, that is axiomatic.

10 MR. MEARES: If he puts it on credit, he is entitled to have it.

HIS HONOR: I was interpreting the word "credit" as used by you, too narrowly. It is accepted on that basis.

MR. BOWEN: I ask you about this part of the contract "As indicated, we are prepared to place with you contracts for 12 months' production on the following basis -" that refers to contracts covering 12 months' production? A. Not necessarily.

20 Q. "We are prepared to place with you contracts for 12 months' production." That means that Woolworths will place contracts for 12 months' production? A. I beg your pardon, yes.

Q. If you look at p.72 of Exhibit A, it is not in the relevant period, because it is 1961, when they were going not on 12 months but on some other period. You see p.72, a contract? A. There is one on 68 and 69.

30 Q. One deals with 15-denier, another deals with 30-denier and one deals with ladderless mesh? A. Yes.

Q. For a period of production, is that right; you will notice it is for a period of production? A. No, I submit it is for a period of our requirement, not a period of our production.

Q. You form a distinction there, do you? A. Well, I assure you I am not trying to be clever, but any contract issued by us is related to our

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requirement, not to the manufacturer's production or production levels.

Q. You think that if you had intended to carry on that way, it might have been wiser to express the later contracts for 12 months' requirements on the following basis, because what you have promised to do is to place contracts for production, isn't it? A. Well, that is as it reads here.

Q. That is what you promised to do? A. I did not promise. 10

Q. That is what Woolworths promised to do? A. That is shown that way, that we promised to place contracts for 12 months' production of 50,000 dozen.

Q. You agree Woolworths promised to place contracts which referred to the kind of thing I showed you in 1955 for 12 months' production? A. Yes. I submit, of course, this is a different form to a normal contract that we would enter into with a manufacturer. 20

Q. They were the only ones, Stirling Henry, who had gone to the trouble of building a mill and importing machinery? A. I do not know about going to the trouble. This was intended to be a profitable enterprise as far as you were concerned. You are inferring they were doing us a favour.

Q. I understand Woolworths were in some difficulty with supplies at this time? A. Supply was short in 1955, yes. 30

Q. They were doing Woolworths a favour as well as perhaps to themselves? A. This was an agreement for mutual benefit.

Q. You say you placed contracts for 12 months' production, and this was odd because it was not for 12 months' requirements, is that what you say; you agree it was for 12 months' production? A. Yes.

Q. But you think a proper form would have been for 12 months' requirements? A. No, 12 months' requirements of ours would be far, far in excess of 50,000 dozen. That is why I imagine it is referring to the capacity of the machines for 12 months, which was 50,000 dozen and in order to give Stirling Henry something by which they could get their teeth in to start this business, we gave them a guarantee of 50,000 dozen over 12 months.

10 Q. Now that first 12 months would have to be broken up into 18,000 30-denier and 32,000 15-denier, is that so? A. That is here.

Q. But subsequent contracts - would you just go to the bottom - that means after the first 12 months, I take it? A. That is correct.

20 Q. "That each six months a new contract to be placed, and at that date all outstanding balances to be cancelled, so that you will be holding a 12 months' cover for production." It looks as if there are to be subsequently 12 monthly contracts placed each six months, would you agree? A. No, that would be subject to an amicable agreement being reached, because I might discuss any agreement with the manufacturer and might discuss the first contract and subsequent bases for subsequent contracts, but there must be mutual agreement for subsequent contracts.

30 Q. And there would have to be mutual agreement for the contracts for the first 12 months, as to colour, size and so on? A. Well, colour and size would not enter into it.

Q. You would have to agree, wouldn't you?  
A. Yes. Well, that is only a minor, more or less, clerical function.

Q. But what is promised is that there will be contracts and they will be for certain production; they are measured by the length of production?  
A. In this case, yes, because production was for 50,000 dozen, and we were giving them a guarantee of taking 50,000 dozen for the first 12 months.

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Q. And in the last paragraph of the first page, it is clear that each subsequent set of contracts is for 12 months' production also; is that so?  
A. That is providing the contract was arrived at by mutual agreement.

Q. Well, what about the one for the first 12 months? A. That was a fixed contract, fixed quantity, price, everything. The contract for 50,000 dozen is referred to in all paragraphs bar the last on the first page.

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Q. The prices ruling for the first six months are stated? A. Yes.

Q. And "thereafter", they say "thereafter" don't they? A. I would say it is referring back to the 50,000 dozen.

Q. That is the way you read it, is it? A. Yes.

Q. That makes nonsense of the last paragraph on p.1? A. No, I do not think it does. You see, I think, when you take and dissect a letter which is written by someone in good faith -

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Q. And received in good faith? A. And received in good faith, if you wish, too. I am sure it is well known, what the arrangement was, by Stirling Henry.

Q. Every time they acted on this letter until July 1951, I suggest to you that the parties acted on the basis of the construction I have put to you? A. Well, I wish we had, because we would have had 25,000 dozen stockings at a lower price than we paid for them, because you notice 71/-, 79/-, it should have been 62/-, 61/-, and that did not operate for 15 months.

30

Q. Each time the price was fixed, it was fixed as a price to be beyond and from a certain date to run forward thereafter? A. That is where a contract existed, that would be the case, yes.

Q. And that was one of the very things that led to difficulty before the meeting of July 1961, the price was always not fixed for a period of as

and from a date indefinitely running; this was one of Mr. Wainberg's complaints, you told us?

A. Yes, Mr. Wainberg complained -

Q. Look at p.31 of Exhibit A. You see a letter of 10th December 1957 "This will confirm our discussion yesterday, during which it was agreed that the following costs and terms would be effective for hosiery as and from 1st January 1958"? A. Yes.

10 Q. Then having got these prices, one of which is above and one of which is below what I might call the thereafter price you continue in the letter of 10th December - A. But I did not agree it was a thereafter price.

Q. The price, in the letter of 10th May, 1955 is under the word "thereafter"? A. It is specifically referring to the 50,000 dozen, because the 50,000 dozen is split in two halves, and surely you must agree that the second part  
20 refers to the second part of the contract.

Q. This letter of 10th December 1957 fixes a price without any limit of time forwards, do you see that? A. Yes.

Q. If you look at p.28 of Exhibit A, you see your letter to Stirling Henry there? A. Yes.

Q. And you fix it the same way, do you not?  
A. I beg your pardon?

Q. You see the first paragraph of your letter fixes a price of 76/- per dozen for 15-denier and 68/6d. per dozen for 30-denier, "to operate  
30 as and from Monday, 15th April." You see that? A. Yes.

Q. And then in the next letter in reply dated 11th April 1957, that was accepted. I have shown you one of 10th December. I want to go to 1961. I suggest there was a meeting, which you attended, on 7th April 1961, at which were present yourself, Mr. Wainberg and Mr. Stopford; I do not know whether you have any recollection of the specific meeting at all, at this point of

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time? A. No. Can you tell me the discussion?

Q. I suggest that you stated at the outset of this discussion that you wished to confirm a statement made by Mr. Miller that Woolworths had no moral obligation to Stirling Henry as regards purchases of hosiery? A. What date was this?

Q. 7th April 1961, before the 1961 agreement?  
A. I certainly would have.

Q. You would have said that? A. Yes.

Q. So it was your view, was it, that not only was there no legal obligation resting on Woolworths to buy the production from Stirling Henry in April 1961, but there was not even any moral obligation? A. No, I had not said that. We have a moral obligation and accept a moral obligation to all our suppliers, who supply us with merchandise over a long period, but when it comes to dealing with someone as difficult as Mr. Wainberg is, you quite often are forced into a defensive position, which would not be the case with other suppliers. Mr. Wainberg's absolute insistence on our obligation to draw hosiery from him to the extent that he asked, naturally draws from someone like myself, in an executive position, which I was holding, a denial of responsibility, because I tell you once you give Mr. Wainberg any leeway or inkling whatsoever that you agree with him you have a commitment, you have got it for life, so that we certainly would not agree with Mr. Wainberg that an obligation did exist.

Q. You were at pains, therefore, because of his attitude to stress that you had no moral obligation? A. I doubt if I ever used the word. You said I did. I could have done so, but I certainly would have made it clear to Mr. Wainberg that in my opinion we had no obligation to them to draw the hosiery from them.

Q. I thought when I started asking you about the meeting, I put that to you, that you said you confirmed the statement by Mr. Miller that Woolworths had no moral obligation, and you agreed with me, but you now doubt if that is so; you

are doubtful whether it is correct now to say that you wished to confirm the statement made by Mr. Miller that Woolworths had no moral obligation? A. I would say I made that statement, yes, as I mentioned, that because of Mr. Wainberg's attitude, I would not do anything that would indicate to Mr. Wainberg that we had any obligations whatsoever.

10 Q. I suggest to you that Mr. Wainberg, at this meeting, suggested that perhaps Woolworths would like Stirling Henry to sell some production to other clients in view of the time required to establish a clientele? A. Are you referring to 7th April 1957?

Q. 7th April 1957; it is a meeting I suggest you, Mr. Wainberg and Mr. Stopford attended.

20 A. I said I did not deny that I was at that meeting. I said there could have been a meeting. I asked you to give me some leads on what was discussed, so I can recall whether I was present at such a meeting.

Q. "We discussed the question of no moral obligation". A. Is this in the same meeting?

Q. That is so, and I am suggesting that Mr. Wainberg suggested that perhaps Woolworths would like Stirling Henry to sell some production to other clients in view of the time required to establish a clientele? A. Would you repeat that for me? I am sorry.

30 Q. Yes, Mr. Wainberg suggested that perhaps Woolworths would like Stirling Henry to sell some production to other clients in view of the time required to establish a clientele? A. I suspect that Mr. Wainberg has never suggested that he should sell any of his production other than to Woolworths; we were the ones who suggested to Mr. Wainberg that they might try and sell their production.

40 Q. Later on, that may be so, I put to you, but at this point I suggest to you that Mr. Wainberg suggested it? A. If Mr. Wainberg suggested it, I would have welcomed it with open arms.

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Q. It is suggested that you said it was not Woolworths' intention to make any alteration; you considered production could be absorbed and would be taken as long as the demand continued providing goods were delivered on the required dates appearing on your official order; do you recall that? A. No, I do not recall it. I would deny that I said it.

Q. That you said that? A. That I said that. There was no need for any alteration to the arrangements. 10

Q. Would you deny you said it was not Woolworths' intention to make any alteration? A. At this stage I was trying to get alterations made, far from doing as that term you read out.

Q. I think you were trying a little later to get an alteration, and not in April 1961? A. You are referring to the meeting that was in July, but it just did not suddenly happen, I can assure you; this matter went on for a period of months, and this was a continual thorn in my side as far as Woolworths were concerned. 20

Q. You would deny that you said that? A. I would deny that I would say that.

Q. And you deny that you said you considered production could be absorbed and would be taken as long as demand continued provided that the goods were delivered by the dates appearing on the orders; will you deny that you said that? A. I could have said it, but it would not be in that context, because that rather infers that we were agreeing to taking their production. My remarks, if I did discuss it, would have been along the lines that whilst our demand was at the level it was, that we could probably take their production, but I did not at any time commit myself to Stirling Henry at any time. 30

Q. Not even in the July 1961 arrangement? A. That meeting was chaired by our managing director.

Q. Now on 14th June 1961, I suggest there was a meeting with Mr. Kelly, yourself, Mr. Wainberg 40

and Mr. Stopford? A. There was only one meeting that I had with Mr. Kelly, Mr. Wainberg and Mr. Stopford, and that was the one of 7th July. I had no other meetings. The four of us were not together on any other occasion.

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Q. Only the one occasion? A. Yes.

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Q. Now, I put to you some of the matters in this meeting to see if you can recall them; I put to you that at this meeting of 14th June 1961, Mr. Kelly stressed the point that there was no legal obligation on Woolworths' side, and that if Stirling Henry disagreed they would have to be settled before any further negotiations would be entered into; he said he did consider there was an ethical obligation up to 50,000 dozen per annum; that is the beginning of the meeting; does that help you? A. No, not yet.

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Q. You do not recall that happening? A. No.

20

Q. Mr. Wainberg said he did not know if there was any legal obligation as he had not sought advice; you do not remember that exchange?  
A. No.

Q. Mr. Kelly then said, I suggest to you, that he had read the summary of events that Mr. Wainberg had handed to Mr. Miller of June 13th?  
A. I have never seen a summary of events.

30

Q. That Mr. Kelly was reading a document, and when asked by Mr. Wainberg what it was, replied that it was Mr. Wilson's letter to Stirling Henry, that is the letter of 10th May 1955; you do not recall that incident being spoken about, the reading of the letter? A. No.

Q. Mr. Kelly said he did not consider that Stirling Henry should continue to work two full shifts when other factories were partially closed down, and that prices could be reviewed every six months to arrange correct market prices?  
A. Well, the last one you mentioned was one we agreed in the July meeting, on the six months basis.

40

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Q. "And it was stated that Woolworths would place orders for six months' requirements and as long as demand existed would absorb the full production." A. No.

Q. "And it was said that Woolworths would give full consideration to purchasing any excess stock at special prices. If they did not take the full production at regular prices, we would have the opportunity of having consideration of the excess stock being bought at special prices, and Mr. Kelly said Stirling Henrys had the right to offer production over the 50,000 dozen annually to any other client"? A. This has a familiar ring, because that is part of the agreement that we reached in July, on the 50,000 dozen and on the six months fixation of prices.

10

Q. You see now there is a letter of 10th July from Woolworths to Stirling Henry, on p.37 of Exhibit A. A. Yes.

Q. Do you see that? A. Yes.

20

Q. At that point, prices and quantities were fixed, but you had not been present at the meeting at which they were fixed, I take it? A. This would have been the result of the agreement reached with Mr. Wainberg on 7th July, because everything was held up at that time waiting on this discussion with Mr. Wainberg and Mr. Stopford, in fact the last paragraph rather supports it. It is one of the paragraphs in the agreement, I think.

Q. And you say that, therefore, this meeting of 7th July really would have been the origin of this letter? A. Of this 10th July letter? I would say so.

30

Q. And the quantities and the prices for that period mentioned in that letter would have been fixed at that meeting? A. Which meeting?

Q. 7th July. A. No, prices were not fixed at the meeting with Mr. Kelly. The prices would have been fixed by discussion with Mr. Cooper and Mr. Miller, on the principles agreed at the meeting, which were the market prices.

40

Q. After the agreement had been arrived at?

A. Yes.

Q. You say the meeting was on Friday, 7th July?

A. Yes.

Q. It does not give them very much time to meet before Monday, 10th July, does it? A. There had been discussions by Mr. Cooper and Mr. Stopford, running back for a number of weeks prior to this. They had been discussing the question of hosiery prices, supply and so forth.

10

Q. You are saying that your previous answer that they would have been fixed after they were agreed - they were held up after you agreed, and after you agreed, they were fixed - that would be wrong? A. Not necessarily. When they are fixed, that is it.

Q. When do you suggest they would have been fixed, at some meeting after the meeting of 7th July? A. You will notice it says "Confirming our recent discussions."

20

Q. It looks as if there were a lot of discussions? A. There were.

Q. I suggest to you that the meeting with Mr. Kelly was 14th June, another meeting of 28th June to fix prices, at which you were not present; but you are clear in putting that the meeting with Mr. Kelly, Mr. Wainberg and Mr. Stopford was on the 7th? A. I am putting it quite clearly, because of the document that we have, the minutes that I prepared on Monday, 10th.

30

Q. That is this Exhibit 1? (Shown to Witness).  
A. Yes, that meeting was of long duration, so I fixed Friday, because it was Mr. Wainberg's habit to come into town every Friday morning. It was his habit to visit Sydney from the factory every Monday morning and we fixed the meeting to coincide with that, and it ties up with this letter of Cooper's.

40

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take place? A. That all depends; it depends on how far the discussions had gone and just what stage they had reached. It might have been a 'phone call that said "O.K., Alec, that is right", and that might have been the finish of it.

Q. The date on the memorandum, 10th July 1961, is simply the date when you did the memorandum?

A. That is the date it was typed, yes.

Q. It does not refer anywhere in the memorandum to the date of the meeting? A. No.

10

Q. And you have endeavoured to reconstruct that in your mind from these considerations you put to me a moment ago? A. Yes.

Q. I think you have got on your file a copy of this memorandum of 10th July? (Produced). You see paragraph No. 6? A. Yes.

Q. Stirling Henry would have the right to sell on the open market and not confine their production to you. Do you agree that that suggests that prior to that, they had been obliged to confine their production to you? A. No, I do not agree, because it had been referred to in other discussions earlier, that we had with Stirling Henry, that they could sell on the open market. This was merely trying to set out the situation as agreed between the four persons, from Woolworths and Stirling Henry.

20

Q. Yes, I am putting to you that that was agreed in those terms, they would have the right, you were giving them something they had not had before? A. No, I do not agree there.

30

Q. Notwithstanding the reference in the 1955 agreement to being exclusive supplier? A. Yes, as I say, it was mentioned on a number of occasions.

Q. You have taken pains on several occasions to describe various qualities you attribute to Mr. Wainberg, adding up to the fact that you regard him as very difficult to deal with, is that fair? A. Yes.

Q. I do not want you to enlarge on it for the moment. You agree? A. Yes.

Q. Do you also agree that if he was negotiating with you or another representative of Woolworths, who took a wrong view of legal documents, he might fairly describe you as very difficult to deal with? A. You would have to give me the question again.

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RE-EXAMINATION:

10 MR. MEARES: Q. As far as the discussions that you had from time to time, at which you and Mr. Cooper were present or you and Mr. Kelly, the discussion to which you have referred insofar as Mr. Wainberg and Mr. Stopford were concerned, who was it who did most of the talking on behalf of Stirling Henry? A. Mr. Wainberg when he was present.

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20 Q. Was it at any time ever suggested to you by Mr. Wainberg, Mr. Stopford or anybody on behalf of Stirling Henry that in any subsequent contracts that were entered into after the first 12 months, the price that you were obliged to pay was to be the price for the second six months? (Objected to; allowed). A. My answer is never.

Re-Exami-  
nation

30 Q. Do you recall, after you had this discussion with Mr. Wainberg and Mr. Stopford on the one hand, and you and Mr. Kelly on the other, that you made some mention in regard to Stirling Henry being able to sell elsewhere, to Mr. Cooper? A. I gave to Mr. Cooper and to Mr. Miller the whole of the detail of the conversation that had taken place with the four of us, and in that I told Mr. Cooper - (Objected to after argument, Mr. Meares withdrew the question).

Q. You were asked some questions about your knowledge of Stirling Henry buying some further machinery; now you were away from Australia in 1955? A. Yes.

40 Q. 1956, and you came back in February 1957?  
A. That is right.

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Q. As far as any discussions in relation to machinery are concerned, did you hear some discussion between Mr. Wilson and Mr. Wainberg concerning getting some more machines? A. Yes.

Q. First of all, did you hear that? A. Yes.

Q. Now can you remember when that was; I do not want you to pinpoint the month. A. I would say 1960, but I am not terribly sure of it. I just do not recall it. I think there is evidence, I think there was a letter written on that subject. I do not know if it is in evidence. I recall a letter. 10

Q. However, it is only on one occasion that there was some discussion about machinery, and there was a letter about it? A. Yes, there was a letter written by Stirling Henry.

Q. And you are not certain as to when that letter was written? A. No, I am not certain.

(Witness retired)

(At this stage further hearing adjourned to 10 a.m. on Wednesday, 15th December 1965). 20

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10 HIS HONOR: This is an action tried as a commercial cause in which the plaintiff is Stirling Henry Limited (hereafter called Stirling Henry) and the defendant is Woolworths Limited (hereafter called Woolworths). Mr. Bowen, Q.C., Mr. Samuels, Q.C., and Mr. Handley appeared as counsel for the plaintiff. Mr. Meares, Q.C. and Mr. Yeldham appeared as counsel for the defendant. The action commenced before me on Tuesday, 7th December 1965, and proceeded until Thursday, 16th December 1965, when judgment was reserved.

20 Before the year 1955, Stirling Henry carried on business as textile manufacturers but had never manufactured womens hosiery. In that year, Woolworths were having trouble obtaining supplies of womens hosiery and discussions took place between the two companies. An agreement was reached, of which an accurate memorandum is contained in a letter dated 10th May 1955, written by Woolworths to Stirling Henry. That letter is of major importance in this case, and is quoted in its precise terms:

"10th May, 1955

30 MR. A. Wainberg,  
Managing Director, Stirling Henry Ltd.,  
The Crescent,  
FLEMINGTON. N.S.W.

Dear Mr. Wainberg,

RE: Full Fashioned Nylon Hosiery

This will confirm our discussion of the 5th May, to the effect that you will import and set up machinery to produce ladies F/F Nylon stockings exclusively for Woolworths Limited.

As discussed, it is anticipated this plant will be installed, and commence production early

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in 1956, and be capable of manufacturing 50,000 dozen in the first year of operation, and as indicated, we are prepared to place with you contracts for twelve months' production on the following basis.

30 denier, 51 gauge	...	18,000 dozen
15 denier, 60 gauge	...	32,000 dozen

The prices ruling for the first six months to be as follows:

30 denier, 51 gauge	...	71/-d per dozen	10
15 denier, 60 gauge	...	79/-d per dozen	

and thereafter, as we agreed, the prices to be

30 denier, 51 gauge	...	62/-d. per doz.
15 denier, 60 gauge	...	71/-d. per doz.

The basis for subsequent contracts is that each six months a new contract to be placed, and at that date, all outstanding balances to be cancelled, so that you will be holding a twelve months' cover for production.

Orders will be placed from time to time drawing stocks ex contract when colour and size proportions will be detailed. 20

Should you wish to submit this letter, or a copy of the same to the Authorities to support your application for an import licence covering the necessary plant and machinery, it is quite in order for you to do so.

I would like to record my appreciation of the manner in which our discussions were carried out, and thank you for your co-operative spirit in the course of our negotiations. 30

Yours faithfully,  
R. W. Wilson  
Merchandise Manager Woolworths Ltd."

"Fully fashioned" is the phrase used to describe stockings made with a seam. Seamless stockings are described in the trade as "circular".

In the hosiery industry the word "denier" is descriptive of the thickness of the yarn employed in the manufacture of stockings. "Gauge" refers to the number of needles used to each two inches.

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10 Following the discussions of early 1955, Stirling Henry set about the erection of the factory and the importation of machinery in accordance with the agreement. A further contract was entered into later in the same year for the reasons stated in Clause 2 thereof which read:

"2. The requirements of Woolworths now necessitate increased supplies of such goods and to meet these requirements Stirling Henry have erected new buildings and have installed or will instal additional machinery and plant at considerable cost."

20 It is not proposed to cite this agreement in full because it was fully executed by both parties, but Stirling Henry agreed to import more machines than were first intended and Woolworths provided financial assistance in the form of a loan of £45,000, which was to be repaid - and was repaid - on certain conditions set out in the contract. Woolworths also took over Bond warrants in the amount of about £12,000 covering nylon yarn, and these were subsequently redeemed by Stirling Henry in accordance with the agree-  
30 ment. As a result of these two agreements, Stirling Henry erected a new factory on their premises at Flemington for the purpose of manu-  
facturing womens fully fashioned hosiery. The building cost approximately £22,500, and machinery was imported at a cost of approximately £177,500, making coincidentally, a figure of almost exactly £200,000.

40 A matter of importance in this case is the extraordinary decline in fashion popularity of fully fashioned hose. In the year ending June 1955, 2,050,272 dozen pairs of fully fashioned hose were manufactured in Australia, representing 92 per cent of the total quantity of women's stockings manufactured in the Commonwealth. In the same year, 186,134 dozen pairs of circular hosiery were manufactured representing 8 per cent. of the total manufactured. In the year ending

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June 1956, fully fashioned hosiery represented 95 per cent, but in the year ending June 1957, fully fashioned hosiery had returned to the figure of 92 per cent. From then on there came a drastic decline. Once the decline set in, it was rapid. In the year ending June 1961, 56 per cent of stockings manufactured were fully fashioned as against 44 per cent circular, but by the end of the next year only 35 per cent were fully fashioned, and 65 per cent were circular. This was the greatest period of decline in popularity of fully fashioned hosiery, but the sharp decline was maintained until, by the year ending June 1965, only 7 per cent (being 275,079 dozen pairs) of stockings manufactured in Australia were of the fully fashioned type while 93 per cent (3,934,973 dozen pairs) were circular.

10

Another matter of importance in this case is that the machines imported by Stirling Henry were incapable of being adjusted so as to make circular hosiery; they could be used for the manufacture of fully fashioned hosiery, but if the production of this type of hosiery became uneconomical, the only value of the machinery was as scrap metal. At a comparatively early stage, some of this machinery was adjusted so that mesh stockings could be manufactured. These stockings were still of the fully fashioned type.

20

The stockings manufactured by Stirling Henry bore brand names which were the property of Woolworths. Avoiding unnecessary detail, the thirty denier stockings were manufactured under the brand name of "Captivation", and the 15 denier under the brand name of "Fairyweb".

30

Production commenced in the year 1956, but full production was not achieved until 1957. The first variation of price took place in early 1957, when the price for Fairyweb was fixed at 76/- per dozen, and for Captivation at 68/6d. per dozen, as evidenced by a letter from Woolworths to Stirling Henry dated 8th April 1957. There was a further reduction in July 1961, set out in a letter from Woolworths dated 10th July 1961, when the price for Fairyweb was fixed at 56/6d. per dozen, and the price of Captivation at 60/- per

40

dozen. It was shortly before this that some of the machines had been converted so that they could manufacture mesh stockings, and the prices for mesh stockings were thereon fixed by the parties at their periodic meetings.

10 All negotiations that took place between the parties were attended by Mr. A. Wainberg, the managing director of Stirling Henry and Mr. A. J. Stopford, their merchandise manager. Mr. Stopford was a man of great experience in the hosiery business, having been associated with that trade for most of his life. Mr. Cooper, the merchandising manager of Woolworths, was principally concerned with the day-to-day implementation of the agreements, but decisive interventions took place from time to time by Mr. Theo Kelly, the managing director of Woolworths, by Mr. R.G. Millist, a merchandise manager and Mr. R.H. Fleming, merchandise controller of Woolworths.

20 Something of a crisis in the relationship between the parties arose in the middle of 1961. Woolworths were seeking a further diminution in prices; Mr. Wainberg was protesting. Both parties were tired of the constant haggling which took place, and an important meeting, which I find took place on 10th July 1961, was arranged between Mr. Kelly and Mr. Fleming of Woolworths, and Mr. Wainberg and Mr. Stopford of Stirling Henry. At this meeting the parties arrived at a further agreement, which both parties, at the hearing of the action, accepted as a variation of the original contract. An accurate memorandum of the terms of the variation is found in a letter dated 13th August 1963, which although written two years later, I hold to be a correct account of the agreement made at that meeting. The relevant part of the letter is quoted:

40 "With reference to our discussion held yesterday, regarding Fully Fashioned Hosiery, this letter will set out in brief detail the propositions put to you by the writer and Mr. Cooper, for the basis for future conduct of our purchases of Fully Fashioned Hosiery from Stirling Henry Limited.

We referred to the arrangements made at a

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meeting held in July 1961, between yourself and our managing director, the details of which were as follows:-

1. In Fully Fashioned Women's Hosiery we would draw 75 per cent of our requirements from Stirling Henry at market prices.

2. If 75 per cent of our requirements fall below 50,000 dozen, the percentage of purchases to rise to ensure that they receive not less than 50,000 dozen. 10

3. In the event of our total requirements falling below 50,000 dozen, this would be the quantity then purchased from them.

4. A contract should be placed for six months' requirements; price to be firm for six months, but quantities to be reviewed each three months, giving them a six months cover at any one time. 20

5. We would give this company the opportunity of quoting special prices for the 25 per cent requirements referred to earlier.

6. Stirling Henry would have the right to sell on the open market and not confine their production to us."

The parties then continued to meet in fulfilment of this agreement, but now at three monthly intervals as agreed. 30

Prices were discussed and finally agreed upon a number of occasions. In October 1961, Fairyweb were fixed at 50/-d. and Captivation at 56/6d., but at the meeting Woolworths demanded, and received, a concession that from then on they were not to pay for cartons, which had been the practice up to that time. Woolworths also demanded, and obtained, an agreement that terms were to be cash, net 30 days, instead of cash, net 7 days. 40

In May 1962, Fairweb were fixed, ultimately, at 48/-9d per dozen and Captivation at 56/-. In

November 1962, mesh was fixed at 66/6d. Fairyweb 46/6d. and Captivation 56/-d.

In March 1963, the prices were not altered, but Woolworths demanded and obtained a discount of  $2\frac{1}{2}$  per cent for 30 days. This was the first time discount had been demanded, and it was confirmed in a letter written by Woolworths shortly after the usual meeting, in the following way:

10 "The cash discounts on these contracts to be altered to  $2\frac{1}{2}$  per cent 30 days and to commence on deliveries on and after the 1st April 1963."

The break between the parties began at the quarterly meeting of 24th July 1963, when Mr. Cooper offered Mr. Stopford the following prices: Fairyweb 44/-d; a reduction of 2/6d. per dozen; Mesh 63/6d., a reduction of 3/-d. per dozen, but no variation in the price (56/-d.) of Captivation.

20 Because of these proposed reductions, Mr. Stopford called in Mr. Wainberg, who refused to accept these figures. A further meeting was arranged for 12th August, at which Mr. Millist of Woolworths was called in. Far from bargaining on the basis of Mr. Cooper's offer of the previous meeting, Mr. Millist then offered the following prices: Fairyweb, 41/-d.; Captivation; 48/-d.; mesh 48/-d. These represented  
30 reductions from the prevailing price of 5/6d. per dozen for Fairyweb - 3/-d. per dozen less than Mr. Cooper's suggested figure for this line, 8/-d. a dozen less than existing prices and Mr. Cooper's offer for Captivation, and a reduction of 18/6d. per dozen from the existing price for mesh and 15/-d. per dozen less than Mr. Cooper's offer for this line.

40 Mr. Wainberg appealed for a meeting with Mr. Theo Kelly. This meeting took place on 28th August 1963. Mr. Wainberg protested that on the prices offered by Mr. Millist, Stirling Henry would manufacture at a loss. Woolworths participants who wished to be assured that this claim was true, requested that their auditors be permitted to inspect Stirling Henry's books. At

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first this was resisted, but Mr. Wainberg finally agreed, and Wamsley Cowley & Co., Woolworths auditors did inspect Stirling Henry's books and furnished a detailed report. They disagreed with the costing basis adopted by Stirling Henry's auditors (Priestly & Morris) but following their report the following offers were made by Woolworths: Fairyweb 60 gauge, 43/-d; Fairyweb 51 gauge, 41/11d.; mesh 51/6d.; Captivation 51/7d. These prices were stated in a letter of 12th November 1963 from Woolworths to Stirling Henry, as being based on market prices plus 7½ per cent (less 2½ per cent discount) and these prices were only to obtain for a short time. Again Stirling Henry protested and on 27th November 1963, Woolworths wrote:

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"You will appreciate that in the circumstances our offer is withdrawn as we must arrange immediate placement of our requirements elsewhere and, naturally, we will progressively adjust our selling prices in relation to our new purchase price."

20

Earlier in the same letter, the following significant statement appears:

"On several occasions during our discussions, we have emphasised that no agreement exists between our companies with regard to the supply of Fully Fashioned hosiery but rather that the business transacted over recent years has been based on the goodwill existing between us, and we presume, to our mutual advantage."

30

Although Stirling Henry, mainly through Mr. Wainberg, made a number of appeals for further consideration, and offered to discuss the matter, the contract came to an end with this letter of 27th November.

Stirling Henry closed down their hosiery plant in December 1963, and it has remained idle ever since. In that month they brought the present action, and in their writ claimed £200,000 damages for breach of contract.

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10 In the original points of claim, Stirling Henry relied entirely on the agreement of 1955, placing upon it the interpretation that the defendant would buy from the plaintiff stockings manufactured exclusively for the defendant by the plaintiff at a fair and reasonable price. It was then alleged that the defendant agreed to buy the whole of the production of the plaintiff, that the agreement would be determinable on reasonable notice given by the defendant to the plaintiff, and having alleged fulfilment of all conditions precedent asserted that the contract was repudiated by the defendant.

The defendant replied by setting out in its precise terms the letter of 10th May 1955, then alleged the variation of July 1961, again setting out the precise terms, and denied repudiation.

20 Shortly before the hearing the plaintiff amended its pleadings by setting out the variation of July 1961 alternatively to its original claim.

The grounds of defence were then amended by alleging that the agreement of 1955 was void for uncertainty and created no enforceable rights or obligations at all or alternatively that after the first period of 12 months therein stated, and insofar as it purported to create any rights and obligations thereafter, it was void for uncertainty.

30 The uncertainty relied on was that described by Barwick C.J. in *Stocks and Holdings Limited v. Arrowsmith*, (38 A.L.J.R., 288):

"There is no question that if the parties have not agreed upon a price, or upon a method by which a price can be calculated or determined, without the further concurrence of the parties or of either of them, there is no contract of sale."

40 It was not pleaded, nor was it at any time argued, that the contract as varied, was void for uncertainty. The only legal issue on liability debated during this long trial, was as to the true interpretation of the phrase, "market price," as used in the varied contract. It was agreed by

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both parties that the contract should be treated as being the original contract of May 1955, as varied by the agreement, of July 1961. It was not suggested at any time by the defendant that it was still a case of an agreement to enter into an agreement as to price, and I do not propose to examine the possibility that this was the true situation.

Indeed, theoretically, a number of other legal issues could arise on the facts of this case, but none of them were canvassed. I intend to decide the case on the issues as raised by the pleadings and the arguments addressed to me by counsel, and not otherwise.

10

The conduct of the trial was marked by tactical manoeuvres on each side. Neither Mr. Wainberg nor Mr. Kelly was called. The usual comments were made by opposing counsel on the absence of these gentlemen, each of whom had played a leading and decisive part in the trans- action. I was asked to draw the usual inferences. I say at once that I draw no inferences from the failure of these gentlemen to give evidence. They were not called for reasons which, no doubt, seemed good to their legal advisers.

20

However, rightly or wrongly, I do not think that Mr. Wainberg's absence from the witness box impedes me in any way in assessing his personality. I thought it shone through the evidence very clearly, particularly through that of Mr. Fleming. On the other hand, I was unable to form any assessment of the personality of Mr. Kelly. He appears to have been a somewhat Olympian figure, who intervened decisively in the human affairs being carried on by his subordinates and the Stirling Henry representatives. However, Mr. Bowen suggested that the absence of Mr. Kelly prevented me from forming a true estimate of the worth of what he described as a humorous argument of Mr. Meares. Mr. Meares had claimed that Woolworths did not insist on their strict legal obligations and made many concessions to Stirling Henry because of the dominating and overbearing personality of Mr.

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40

Wainberg. However, I did not need to see Mr. Kelly in order to come to the conclusion that neither Mr. Wainberg nor anybody else would overbear Mr. Millist, or Mr. Fleming (with the possible exception of Mr. Kelly).

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10 This is a case in which the verbal evidence was of no great importance. It is a possible view that the case could have been decided on the correspondence and other documentary evidence. The witnesses were all truthful and, I have no doubt, honourable gentlemen. There is really no dispute on any factual matter and I have no doubt no witness would have given misleading evidence on any matter of fact. The disputes were almost entirely on matters of interpretation. The cross-examination was almost purely argumentative. Attempts were made to obtain admissions from the witnesses that the stand adopted by their side, particularly on the correct interpretation of the phrase "market prices" was unreasonable, in contrast to the reasonableness of the conduct of the side of cross-examining counsel.

20

Each witness maintained what might be called his side's official view, or "line", and each resisted these attempts. Occasionally, mainly by reason of lapse of time, a witness might momentarily forget what his company's official line was at a particular point of time. An example of that is to be found in the evidence of Mr. Millist on p.161:

30

"Q. Did you regard the 1961 arrangement as binding between Woolworths and Stirling Henry? A. Yes, as far as it went I did consider it was binding.

"Q. You are aware, I suppose, of Mr. Kelly's letter to Stirling Henry on the 27th November 1963 at p.120 of that exhibit. Would you look at that? A. Yes.

40 "Q. You were aware of that letter because you were working closely at this time with him on this matter? A. Yes.

"Q. You notice the third paragraph: 'On

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every occasion during our discussions we have emphasised that no claim exists between our companies with regard to the supply of fully fashioned hosiery ... goodwill'.

The full quotation from that letter has been set out earlier but it is repeated:

"On several occasions during our discussions we have emphasised that no agreement exists between our companies with regard to the supply of fully fashioned hosiery but rather that the business transacted over recent years has been based on the goodwill existing between us and, we presume, to our mutual advantage'.

10

The cross-examination resumed:

"Q. You disagree with that view? A. Not quite, no. If I may say this, I consider the arrangement we had was binding but there was no real legal document binding us to an agreement with Stirling Henrys and I think Mr. Kelly in this letter is sort of saying virtually there is no legal document, it was an arrangement between businessmen.

20

"Q. In other words, you draw a distinction between something which is binding and something which is legally binding? A. Yes.

"Q. When you answered me before you meant that in your view the 1961 agreement was not legally binding? A. That is correct.

"Q. In what sense was it binding?  
A. Inasmuch as it was an arrangement made between us as between honourable businessmen.

30

"Q. The best of goodwill? A. Yes.

"Q. Purely moral or ethical considerations would give it force. Is that right?  
A. Yes."

Mr. Millist's quick change of front was effected quite blandly. The importance of this

piece of cross-examination is an indication of the attitude adopted by his company almost from the outset.

Whether it was for tactical reasons or whether they were fully appraised of the situation, from quite early in the transaction Woolworths continually maintained that there was no legal agreement between them after the first 12 months referred to in the original agreement had expired. After the variation of 1961 they still maintained this attitude, as witness the letter signed by Mr. Kelly on 27th November 1963.

The matter is not of any importance, but I am of opinion that the agreement of May 1955, was unenforceable at the termination of the expiration of the period of 12 months referred to in the letter of 10th May 1955. After that, the arrangement precisely fitted the previously quoted description of Sir Garfield Barwick in *Stocks and Holdings Limited v. Arrowsmith*: there was merely an agreement to enter into an agreement. But from May 1961 there was, as both parties at the hearing clearly conceded, an enforceable contract between these parties to buy and sell stockings at "market prices".

Woolworths were in a position of great power and were aware of it. Mr. Wainberg on one occasion complained of the practice deposed to by Mr. Stopford, whose evidence on this point I accept, that it was almost a matter of routine for the periodic meetings to commence with a statement by Woolworths' representatives that there was no binding contract between the parties and also that fully fashioned hosiery was declining in popularity. Woolworths had security of supplies of most of their requirements of fully fashioned hosiery; they were able to bargain with other manufacturers who wished to dispose of surplus stocks or surplus production. On the other hand, Stirling Henry were in a very weak position. Although they had the security of an assured market, if Woolworths chose to deal with them, and were not concerned with advertising or sales expenses, they were in a position of complete vassalage until at least the variation of 1961.

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Woolworths' representatives continued to maintain that after this variation there was no binding contract between the parties, but it is unnecessary to inquire whether they believed this to be the true position or whether they were again indulging in tactics.

The stockings Stirling Henry manufactured were branded with Woolworths brands. They had no brand name of their own. Their machinery was only capable of manufacturing fully fashioned hose and could not be converted for the manufacture of circular hosiery. In the conduct of all the negotiations that took place from time to time, while Woolworths could negotiate from a position of power, of which they were quite conscious, Stirling Henry had to rely on the negotiating skill and tenacity of Mr. Wainberg. From time to time, Mr. Wainberg engaged in the dangerous game of bluffing, but I believe that his opponents were sufficiently astute to realize that he was bluffing.

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20

When Mr. Cooper offered reduced prices in July 1963, Mr. Wainberg's reaction was, to a great extent, in my view, an indulgence in dramatics as witness his almost frantic attempts to return to Mr. Cooper's figures, or to compromise between Mr. Cooper's figures and the rock-bottom figures afterwards offered by Mr. Millist. These dramatics culminated in the absurd propaganda telegram sent by Mr. Wainberg in December 1963, although it is clear that he did not enjoy a monopoly of ability to compose such telegrams because he received in return one as good as he had sent.

30

In the result, in my view, the only question which needs to be determined on the issue of liability in this case is: What were the market prices for fully fashioned womens hosiery from July to November, 1963? The answer to this question determines whether Woolworths repudiated the contract by insisting on the figures offered by Mr. Millist in August, as varied after the auditors inspection.

40

The meaning of the phrase, "market price" and close variations of that phrase were

considered in Charrington & Co. Limited v. Wooder (1914 A.C.71). In his speech in that case, Lord Dunedin said, (at p.82):

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10 "Now, in order to construe a contract the Court is always entitled to be so far instructed by evidence as to be able to place itself in court in the same position as the parties to the contract were placed, in fact, when they made it - or, as is sometimes phrased, to be informed as to the surrounding circumstances."

Lord Atkinson said (at p.93):

20 "The fact that so many judges have formed different opinions as to the meaning of these words 'fair current market price' and 'fair market price', as used in this contract and contracts like it, should suffice in itself to show that they are susceptible of either of two meanings. If that be so, as I think it is, the relations of the parties and all the surrounding circumstances may be taken into consideration, not to add or to alter their contract but to interpret it to show the nature and quality of the subject matter, or in other words, to show the meaning the parties themselves attached to the language they have used."

30 In my opinion, in this particular case, it is easier to establish that there was a breach by Woolworths than it is to define what precisely the contract meant when it used the phrase, "market prices". It seems clear to me that the phrase, "market prices" as used by these parties, did not mean the lowest price at which stockings in any quantities could be brought by Woolworths from other manufacturers from time to time although this was the view taken by Mr. Millist when he intervened in this matter in July-August, 1963, and which was adopted  
40 as the official "line" of Woolworths from then on, and at the hearing. That this cannot be the true interpretation appears as a mere matter of construction of Woolworths letter of 13th August 1963.

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The arrangement between the parties of July 1961 is stated in that letter in a series of numbered paragraphs. Paragraph 1 reads:

"1. In fully fashioned womens hosiery, we would draw 75 per cent of our requirements from Stirling Henry at market prices".

Para. 5 reads:

"5. We would give this company the opportunity of quoting special prices for the 25 per cent requirements referred to earlier." 10

In my view, the "special prices" referred to in paragraph 5 are prices lower than the market prices referred to in paragraph 1. It follows then that market prices are not the lowest possible prices. I find that these "special prices" were the prices described by Mr. Wainberg and Mr. Stopford as "distressed prices" - although Mr. Millist thought this phrase was too strong - for surplus production offered by other manufacturers to Woolworths from time to time. 20

These "special" or "distressed prices", to use Mr. Wainberg's phrase or "market prices" to use Mr. Millist's interpretation, were for goods not necessarily in existence when an offer was made to sell them. Sometimes estimated production exceeded estimated demand and offers at special prices were made to chain stores, including Woolworths, by manufacturers. In one sense no doubt they were market prices, but they were not market prices within the meaning of the arrangement between these parties. On the other hand, they were not truly "distressed prices", which I regard as prices for goods which are sold at great sacrifice, almost in desperation, because cash, or liquidity, to use the phrase of one of the witnesses, is required by a vendor. 30

A second reason for holding that these special prices were not market prices within the meaning of the arrangement, was that not until Mr. Millist's intervention in the dispute, after Mr. Cooper's offer of July 1963 was first refused by Stirling Henry, was it ever contended by Woolworths that this was the true interpretation 40

of the phrase, "market prices".

10 True it is that at the hearing it was Woolworths case that these prices were "market prices". Mr. Cooper prepared a list, which was received in evidence which showed that almost invariably the prices paid for purchases by Woolworths from Stirling Henry were higher than the prices paid by Woolworths to other manufacturers for smaller quantities. But this argument, like almost every argument advanced in this case, was a two-edged sword. Once the proposition is rejected that the lowest possible prices that could be obtained for stockings from any manufacturer for any quantities were market prices within the meaning of the agreements then this list shows a consistent course of conduct on Woolworths part in paying more to Stirling Henry than these prices.

20 Mr. Millists's approach to the interpretation of the phrase, "market prices", was an entirely new one, and quite out of character with the course of dealing between the parties over a period of years, and the dramatic difference between the offers made by Mr. Cooper in July and Mr. Millist in August, illustrate the gravity of the disparity between the two different points of view.

30 Mr. Meares was faced with this inconsistency. He sought to explain it by asserting that Woolworths had, for two years at least, been paying prices in excess of their legal obligation, that is, in excess of what was contended by him at the hearing to be the true market price, for two reasons. The first has already been alluded to, and is rejected, namely, that the clue to this behaviour is to be found in Mr. Wainberg's dominating personality. The second was that Woolworths adopted what might be called a benevolent approach in its dealings with old associates in business transactions and were 40 willing to pay and allowed sentiment, engendered by old associations, to lead them to pay, higher prices than they were legally obliged to pay.

I think two answers can be made to this second proposition: the first is that this, being a civil

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case, is to be decided on the probabilities. There is a possibility, which must be recognised, that Woolworths were animated by such motives to the extent that they pay higher prices than they were bound by their contract to pay, but I think that the probabilities are against it.

The second answer is that when Mr. Meares sought to advance this theory through his witnesses, they being, as I have said, honest men, were not prepared to agree with it. For instance, the following question was put to Mr. Millist in chief (at p.156):

10

"Q. I want to ask you this from your experience with Woolworths: in relation to people who sell to you, is it the company's policy to throw overboard, if I may use that expression, a person with whom the company has been dealing for a long time simply because somebody else offers a little bit under him?"

20

After objection, the question was answered in the following terms:

"I say in answer to that, that it is definitely not the company's policy merely to accept prices from other suppliers because they are below those of a long established supplier without first making endeavours to get the long-established supplier to quote at different prices which would be comparable to what we have received elsewhere."

30

In effect, Mr. Millist refused his cue. If there be any doubt about the meaning of this illuminating answer, it is resolved by a reference to questions put by Mr. Bowen to Mr. Millist on this subject. The following questions and answers appear at p.168;

"Other things being equal, you would always buy at the lowest price? A. If, as in this case, we had a long standing arrangement with Stirling Henry, we would not go and buy at the best possible price without referring the matter to Stirling Henry.

40

Q. Without first giving them an opportunity to supply at the same price? A. Yes."

10 It is a difficult task to set out every factor that had to be taken into consideration from time to time in arriving at the Market price of stockings. It is simple to say that all the circumstances had to be taken into account and that no one circumstance was of itself decisive. Nevertheless, in an attempt to state the more important circumstances, I refer to the following matters:

(1) Stirling Henry had spent, at Woolworths' request, £200,000 in the erection of a building and the importation of machinery;

(2) Woolworths had a safe supply of womens hosiery for the greater part of their requirements;

(3) Woolworths were greatly strengthened in bargaining with other manufacturers for stockings in excess of those supplied by Stirling Henry.

20 (4) As a consequence of (2) and (3) above, it was in Woolworths interests to keep Stirling Henry as a manufacturer in being. It was not in their interests that Stirling Henry's business should be run at a loss or at so small a profit that it would not be worthwhile continuing.

(5) Very large quantities of goods were involved.

30 (6) Stirling Henry were in fact a tied supplier whose only customer in practice was Woolworths. The concession made in 1961, giving the right to Stirling Henry to seek other buyers, was in reality, worthless.

(7) All stockings manufactured by Stirling Henry were branded with names owned by Woolworths

(8) The prices were estimates as to what market prices would be in some months time.

(9) There was no market price in the real sense as between wholesaler and retailer; Woolworths did not deal with wholesalers, but

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directly with manufacturers.

(10) The machines were incapable of being converted for the manufacture of seamless stockings.

(11) Stirling Henry had no worries concerning expenses for advertising or for sales staff and very few delivery worries.

(12) Woolworths margin of profit.

(13) In the later years the change of fashion with the consequent dramatic decline in popularity of fully fashioned hosiery.

10

More emphasis can be given to some rather than others of the foregoing; some perhaps are not of great importance, but are stated to avoid repetition when the question of the length of reasonable notice comes to be considered.

It is difficult to transport oneself in imagination to the situation as it existed in July 1963. This difficulty is contributed to by the hindsight that has been acquired as a result of events that have occurred in the intervening period. Persons actively engaged in the trade at this time would no doubt have an almost intuitive appreciation or feeling as to what was the correct market price at that time.

20

Despite the protests of Mr. Wainberg, when Mr. Cooper's offer was made in 1963, I have come to the conclusion that Mr. Cooper's prices represented market prices at that time. I therefore hold that in July 1963, the correct market prices for the stockings were the prices offered by Mr. Cooper, namely, Fairyweb 44/-d, Captivation 56/6d, Mesh 63/-d. It follows that the prices offered by Mr. Millist in August 1963 and the varied figures offered by Woolworths in November 1963 were not market prices, that Stirling Henry were justified in refusing to sell at these prices and that Woolworths insistence on these prices was in breach of contract and amounted to repudiation of the contract by Woolworths.

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To sum up, I feel that the case sought to be made by Woolworths at the hearing of this action, is incompatible with the arrangement entered into between the parties in July, 1961, and is inconsistent with the whole of their conduct up to August 1963. No satisfactory explanation has been given for this inconsistency.

10 Speculation is always idle, but I am of opinion that if Woolworths had adhered to the prices offered by Mr. Cooper in July 1963, and if Stirling Henry had continued to refuse to accept them, Stirling Henry, would have been in breach of the contract. However, that situation did not arise. In any event, as previously indicated, I think that Mr. Wainberg's first rejection of these figures was in the nature of a bluff.

The next question that arises is the amount the Plaintiff is entitled to by way of damages.

20 As has been seen, in the pleadings the plaintiff claimed that the contract was one terminable by reasonable notice and not otherwise, In the course of his address, Mr. Bowen sought to argue alternatively, that the case was one of a perpetual contract. When Mr. Meares objected that it had been pleaded as being a case for reasonable notice, Mr. Bowen replied that as the Pleadings contained the contract in haec verba, it was open for him to claim any measure of  
30 damages that was appropriate on a true construction of the contract. However, I regard this submission as being merely plausible. The case was conducted on the basis that the contract was one which required reasonable notice for its termination, and it is in that way that I approached the problem. The Plaintiff called evidence on the basis that reasonable notice in the circumstances would have been three years.

40 If these had been parties meeting on even ground, that is to say, if the Plaintiff had been an established manufacturer of hosiery who had entered into a contract to supply these large quantities, I would have thought that 12 months' notice would have been reasonable. However, because of the considerations that the Mill was built and the machinery imported at the request of

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Woolworths, who were the sole buyers by reason of the agreement for a number of years, and were the only buyer throughout the existence of the contract, and because of the other factors which have already been referred to, notably the fact that the stockings were made in brand names owned by Woolworths, I would have been inclined to agree with the view of the Plaintiff that this was a contract which required three years' notice, were it not for the drastic diminution in popularity of the type of hosiery manufactured.

10

As somewhat vividly stated by Lord Devlin in Australian Blue Metal Limited v. Hughes (1963 A.C. 74), reasonable notice for the termination of a commercial contract is to permit the parties to cushion themselves against the change. Taking into account the peculiar incidents of this contract and giving due weight to the decline in fashion popularity of the product - a decline which inevitably would have brought this contract to an end in the near future - I have come to the conclusion that a reasonable notice to be given by Woolworths to Stirling Henry of the termination of this contract would have been a period of 2 years from 1st January 1964.

20

The evidence on damages was called entirely by the Plaintiff. Again on this issue the facts were scarcely in dispute; the dispute was on the matters of emphasis and interpretation.

The evidence was designed to establish - and I find that it did establish - that there was no chance in the latter months of 1963 or at any time thereafter, of the Plaintiff finding another market for its product.

30

I also find that the machinery, once this contract came to an end was of no value other than for scrap, and although I consider it to be an irrelevant finding, I find that the value as scrap of this machinery was, as stated by the witnesses, £1,600.

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The plaintiff's claim for damages was advanced mainly through the mouth of Mr. L. J. Murrell, a chartered accountant and a member of

the firm of Priestly & Morris, auditors for Stirling Henry. Mr. Murrell prepared a number of documents on the assumption for which Mr. Bowen contended that three years was a reasonable notice. Damages were claimed on two cumulative bases, for loss of profits during the period of reasonable notice and for standing charges incurred during that period of notice.

10 Dealing with the second matter first, for the purpose of dismissing it, by far the largest item claimed as a standing charge was depreciation of machinery during the period of the reasonable notice. The written down value of machinery in the books of Stirling Henry was somewhat more than £47,000 although for income tax purposes it was about £35,000. Mr. Murrell allowed for depreciation of roughly £15,750 for each of the postulated three years of notice, but in the third year made an allowance for the £1600 scrap value.

20 The following question was put to and the following answer was given by Mr. Murrell:

"Q. Now how would you treat this depreciation? A. Well I would consider it ought to be written off over whatever period the company would have expected to continue to trade."

30 Presumably, if the company had been only entitled to one year's notice, Mr. Murrell would have claimed by way of depreciation the sum of £47,000 less £1,600 scrap value for that year. This may be good costing in the accountancy sense, but it seems to me to be far removed from any legal principle governing damages for breach of contract.

40 The machinery was only of value other than its scrap value while it could be employed profitably in the manufacture of fully fashioned hosiery. The breach of contract was not the primary cause of the machinery being rendered obsolete, rather it was the change in fashion. If damages are awarded on the basis of loss of profit that would have been earned by the machinery in two years, then this, in my view, is the correct measure of damage.

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Similar considerations apply to the other standing charges which were by way of insurance, rates and taxes, directors' fees and like outgoings. Although I had difficulty in following the basis on which any claim was made for these standing charges in addition to damages for loss of profits, it seems that the claim is that it was necessary to continue to pay these outgoings even after the machinery became idle and the plant was no longer in use. But it was in fact impossible - and it was the plaintiff's case that it was impossible - for the mill to carry on once the contract with Woolworths had been lost, and I can see no necessity for maintaining the business or plant for any time at all. Standing charges, no doubt, are items of cost which would be a factor for consideration in ascertaining a reasonable price for the product in the ordinary case or the "market price" in the peculiar circumstances of the present case, but the amounts represented by these charges cannot be added by way of damages to the amount awarded on the basis of loss of profits.

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20

On the approach of Priestly & Morris, the net profit from the hosiery department of that company for the years 1960 to 1963 were respectively £48,725, £42,785, £46,893 and £33,864. When Walmsley Cowley & Co. auditors for Woolworths, inspected the books of Stirling Henry in 1963, they objected to the methods of ascertaining profit adopted by Priestly & Morris. On the approach which they considered proper, the profits for those same years were respectively £58,975, £53,056, £57,075 and £44,408. It was in Woolworth's interest at that time to suggest that Stirling Henry were doing better out of the contract than they were claiming. This is another excellent example of an argument becoming a two-edged sword. Nevertheless the method adopted by Priestly & Morris I consider to be a reasonable one. Mr. Murrell in his evidence stated that he still regarded it as the proper practice, and against Stirling Henry interest I accept the approach of their auditors.

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Mr. Murrell took the figure of £32,000 as profit for a three year period. He thought that the year 1963, being a year in which the profits

were, to quote him, "not so good", as a better guide. The profit shown he reduced by a small margin from £33,800 to £32,000 and he assumed that this profit would continue over a period of three years. On this approach his suggestion as to damages was three years future profit, £96,000, to which he added the sum of £72,850, for standing charges, making a total of £168,852. Taking Walmsley Cowley's figures of profit at the rate of £45,332 per annum, he calculated a loss with the standing charges added of £208,848. He also made calculations based on a profit margin of 10%, 15% and 20%.

In the  
Supreme Court  
of New South  
Wales

No.13

Reasons for  
Judgment  
Collins, J.  
(Contd.)

15th February  
1966

The projection of continuing annual profit of roughly the same as the year 1963, in my opinion, is unwarranted; it completely ignores the decline in the market for fully fashioned hosiery. It further completely ignores any drop in prices. Both parties were in the situation at the end of 1963 that they had taken part in a commercial venture which, after a period of prosperity, was failing and which would have soon become commercially unattractive.

I have found that the correct market price at least for the opening months of 1964 would have been the figures suggested by Mr. Cooper in July 1963. In addition I consider that there would probably have been further falls in the market price before the expiration of the two year period, not to any marked degree, but I would expect, for instance, that the price of Fairyweb Hosiery would have dropped about 1/- a dozen for each six months and the other types of hosiery would have fallen to a like degree.

In a letter dated 12th November 1963, Woolworths estimated their requirements for the whole of 1964, that is to say, from 1st January to 31st December, at 86,000 dozen, but undertook in any event to accept 75,000 dozen. I think it is impossible to entirely shut one's eyes to the consideration that in fact Woolworths' requirements in 1964 amounted only to 62,000 dozen and by 1965 their requirements were 52,000 dozen. Inevitably, Stirling Henry's production would have fallen either because stocks accumulated and did not require complete replenishment or if the market had

In the  
Supreme Court  
of New South  
Wales

—  
No.13

Reasons for  
Judgment  
Collins, J.  
(Contd.)

15th February  
1966

been accurately gauged, simply because lesser quantities were needed. One postulates that each party would be aware during the period of notice that the contract was coming to an end, but I do not think any weight should be given to this consideration because any adjustments on this basis would be merely speculative. I think there would have been a marked drop in profits in the year 1964, and the figure that appeals to me, having taken all the circumstances into account, is that the profit to Stirling Henry during that year would have declined by one-third. There would have been, in my view, a drastic curtailment of profit for the second year, and the first year's profit would have been halved.

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In all the circumstances of the case I assess the loss of profits in the first year of notice which would have corresponded with the calendar year 1964, at £22,000, and in the second year, at £11,000.

20

I reject any other basis for an award of damages in this case, and in the result find a verdict for the plaintiff for the sum of \$66,000 (sixty-six thousand dollars), and I direct that judgment may be entered in favour of the plaintiff for this amount.

No. 13A

IN THE SUPREME COURT No. 11364 of 1963  
OF NEW SOUTH WALES  
COMMERCIAL CAUSES JURISDICTION

In the  
Supreme Court  
of New South  
Wales

        
No. 13A

BETWEEN STIRLING HENRY LIMITED  
              - and -  
              WOOLWORTHS LIMITED  
                              

Judgment  
Collins, J.

17th November  
1966

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WHEREAS this Commercial Cause came on for hearing before His Honour Mr. Justice Collins on the 7th, 8th, 9th, 10th, 13th, 14, and 15th days of December, 1965 and on the 15th day of February, 1966 (a jury having been dispensed with by consent) a verdict was found for the above-named Plaintiff Stirling Henry Limited against the above-named Defendant Woolworths Limited for the sum of Sixty Six Thousand Dollars (\$66,000.00) and His Honour directed judgment accordingly:

20

THEREFORE it is adjudged that the said Plaintiff do recover against the said Defendant the sum of Sixty Six Thousand Dollars (\$66,000.00) and its costs.

Judgment signed this 17th day of November 1966.

For the Prothonotary  
(sgd) J.P. BARTHOLOMAEUS (L.S.)

Clerk of the Supreme Court

Verdict 66,000.00

Costs

Interest

In the  
Supreme Court  
of New South  
Wales

No.14

NOTICE OF MOTION FOR LEAVE TO APPEAL TO HER  
MAJESTY IN COUNCIL, containing GROUNDS OF  
APPEAL

No.14

IN THE SUPREME COURT No. 11364 of 1961  
OF NEW SOUTH WALES

Notice and  
Grounds of  
Appeal

BETWEEN STIRLING HENRY LIMITED Plaintiff  
- and -  
WOOLWORTHS LIMITED Defendant

1st March 1966

TAKE NOTICE that on the first day on which 10  
the business of the Court permits after the  
expiration of fourteen days from this date the  
above-named WOOLWORTHS LIMITED will move for an  
order granting leave to appeal to Her Majesty in  
Council from the judgment of the Honourable Mr.  
Justice Collins upon the following grounds:-

1. THAT His Honour was in error in holding that  
the Defendant had repudiated the contract  
between the Plaintiff and the Defendant;
2. THAT his Honour was in error in holding that 20  
the prices for certain types of fully-  
fashioned hosiery suggested by the  
defendant's representative Mr. Cooper to the  
plaintiff's representatives in July, 1963,  
were "market prices" within the meaning of  
that expression contained in the agreement  
made by and between the plaintiff and the  
defendant on the 10th day of July, 1961.
3. THAT His Honour should have found that the 30  
Plaintiff had not discharged the onus of  
establishing what was the market price.
4. THAT there was no evidence of what were  
"market prices" within the meaning of the  
Contract;
5. THAT His Honour misdirected himself in  
holding "it is easier to establish that  
there was a breach by Woolworths than it is

to define what precisely the contract meant when it used the phrase 'market prices'";

6. THAT His Honour was in error in holding that the case sought to be made by the defendant

(a) was incompatible with the arrangement entered into between the parties in July, 1961; and

(b) was inconsistent with the whole of its conduct up to August, 1963; and

10 (c) that no satisfactory explanation had been given for such inconsistency;

7. THAT the damages awarded were excessive;

8. THAT the plaintiff did not establish that it had suffered any damage.

DATED this 1st day of March, 1966

(Sgd.) D. A. YELDHAM

Counsel for the Defendant (Appellant)

In the  
Supreme Court  
of New South  
Wales

\_\_\_\_\_  
No.14

Notice and  
Grounds of  
Appeal  
(Contd.)

1st March 1966

No.15

20 NOTICE OF MOTION FOR CONDITIONAL LEAVE TO CROSS  
APPEAL TO HER MAJESTY IN COUNCIL, containing  
GROUNDS OF APPEAL

IN THE SUPREME COURT  
OF NEW SOUTH WALES

No. 11364 of 1963

COURT OF APPEAL

BETWEEN STIRLING HENRY LIMITED Plaintiff  
- and - (Applicant)  
WOOLWORTHS LIMITED Defendant  
(Respondent)

No.15  
Cross Notice  
for  
Conditional  
Leave and  
Grounds of  
Appeal

1st March 1966

30 NOTICE OF MOTION FOR CONDITIONAL LEAVE TO  
APPEAL TO HER MAJESTY IN COUNCIL.

TAKE NOTICE that on the first day on which the business of the Court permits after the expiration of 14 days from this date Counsel for



In the Court  
of Appeal of  
New South  
Wales

\_\_\_\_\_  
No.15

Cross Notice  
for  
Conditional  
Leave and  
Grounds of  
Appeal  
(Contd.)

1st March 1966

the above named Stirling Henry Limited will move for an order granting leave to appeal to Her Majesty in Council from the judgment herein of the Honourable Mr. Justice Collins sitting without a jury in commercial causes upon the following grounds:-

1. That His Honour's award of damages was inadequate.
2. That His Honour should have awarded the Plaintiff damages on the basis of its loss of gross profits during the period of reasonable notice. 10
3. That His Honour should have awarded the Plaintiff damages in respect of the standing charges which it incurred in respect of its hosiery mill during the period of reasonable notice.

DATED this First day of March, 1966.

(Sgd.) F. C. HANDLEY

Counsel for the Plaintiff

20



In the Court  
of Appeal of  
New South  
Wales

\_\_\_\_\_  
No.15A

Order  
granting  
Conditional  
Leave to  
Appeal to Her  
Majesty in  
Council  
(Contd.)

may be in the event of the Appellant or Cross Appellant not obtaining orders granting them final leave to appeal from the said judgment or of either appeal being dismissed for non-prosecution or of Her Majesty in Council ordering the Appellant to pay the costs of the Cross Appellant of the appeal or ordering the Cross Appellant to pay the costs of the Appellant of the Cross appeal, as the case may be AND UPON FURTHER CONDITION that the Appellant do within three months of the date hereof take out and proceed upon all such appointments and take all such other steps as may be necessary for the purpose of settling the index to the transcript record for the purposes of the consolidated appeals and enabling the Prothonotary to certify that the said index has been settled and that the conditions hereinbefore referred to have been duly performed AND UPON FURTHER CONDITION finally that the Appellant and Cross Appellant do obtain a final order of the Court granting them leave to appeal as aforesaid AND IT IS FURTHER ORDERED that the costs of all parties of these applications and of the preparation of the said transcript record and of all other proceedings hereunder and of the said final order do follow the decision of Her Majesty's Privy Council with respect to the costs of the consolidated appeals or do abide the result of the said appeal or cross appeal in case the same shall stand or be dismissed for non-prosecution or be deemed so to be subject however to any orders that may be made by this Court up to and including the said final order or under any of the rules next hereinafter mentioned that is to say rules 16, 17, 20 and 21 of the Rules of the 2nd day of April One thousand nine hundred and nine regulating appeals from the Supreme Court to Her Majesty in Council AND IT IS FURTHER ORDERED that the costs incurred in New South Wales payable under the terms hereof or under any order of Her Majesty's Privy Council by any party to this appeal be taxed and paid to the party to whom the same shall be payable AND IT IS FURTHER ORDERED that so much of the said costs as become payable by the Appellant or Cross Appellant under this order or any subsequent order of the Court or any order made by Her Majesty in Council in relation to the consolidated appeals

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10 may be paid out of any moneys paid into Court as such security as aforesaid so far as the same shall extend AND that after such payment out (if any) the balance (if any) of the said moneys be paid out of Court to the party depositing the same AND IT IS FURTHER ORDERED that pending the said consolidated appeals all proceedings under the said judgment or otherwise in this cause be and the same are hereby stayed AND that each party is to be at liberty to restore this matter to the list upon giving two days notice thereof to the other for the purpose of obtaining any necessary rectification of this Order.

By the Court, for the Prothonotary

(Sgd.) E. F. LENNON L.S.

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Deputy Prothonotary

In the Court  
of Appeal of  
New South  
Wales

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No.15A

Order  
granting  
Conditional  
Leave to  
Appeal to Her  
Majesty in  
Council  
(Contd.)

In the Court  
of Appeal of  
New South  
Wales

No.16

Order granting  
Final Leave to  
Appeal to Her  
Majesty in  
Council

14th June 1966

No. 16

ORDER OF THE COURT OF APPEAL OF NEW SOUTH  
WALES GRANTING FINAL LEAVE TO APPEAL TO  
HER MAJESTY IN COUNCIL

IN THE SUPREME COURT  
OF NEW SOUTH WALES

No. 11364 of 1963

COURT OF APPEAL

BETWEEN STIRLING HENRY LIMITED Plaintiff  
(Cross-appellant)

- and -

WOOLWORTHS LIMITED Defendant  
(Appellant)

10

The fourteenth day of June, 1966

UPON MOTION made this day pursuant to the Notice  
of Motion filed herein on the ei ghth day of June,  
1966, WHEREUPON AND UPON READING the said Notice  
of Motion the affidavit of Stanley Joseph Howard  
sworn on the eighth day of June, 1966, and the  
Prothonotary's Certificate of Compliance AND UPON  
HEARING what is alleged by Mr. Yeldham of Counsel  
for the Appellant Woolworths Limited and Mr.  
Handley of Counsel for the Cross-appellant  
Stirling Henry Limited IT IS ORDERED that final  
leave to appeal to Her Majesty in Council from  
the jud gment of the Honourable Mr. Justice  
Collins given and made herein on the fifteenth  
day of February, 1966, be and the same is hereby  
granted to the Appellant and Cross-appellant  
AND IT IS FURTHER ORDERED that upon payment by  
the Appellant of the costs of preparation of the  
Transcript Record and despatch thereof to  
England the sums of One hundred dollars (\$100)  
deposited in Court by the Appellant and by the  
Cross-appellant as security for and towards the  
costs thereof be paid out of Court to the  
Appellant and Cross-appellant respectively.

20

30

BY THE COURT,

For the Prothonotary, (L.S.)  
(Sgd.)

/MC/SJH/MRT.

Chief Clerk.

40

EXHIBIT "A"

WOOLWORTHS LIMITED

80 Market Street,  
Sydney

10th May, 1955

Mr. A. Wainberg,  
Managing Director,  
Stirling Henry Ltd.,  
The Crescent,  
FLEMINGTON, N.S.W.Plaintiffs  
ExhibitsExhibit "A"Letter  
Woolworths  
Limited to  
Stirling  
Henry Limited  
10th May 1955

10 Dear Mr. Wainberg,

Re: Full Fashioned Nylon Hosiery:

This will confirm our discussion of the 6th May, to the effect that you will import and set-up machinery to produce ladies' F/F Nylon stockings exclusively for Woolworths Limited.

20 As discussed, it is anticipated this plant will be installed, and commence production early in 1956, and be capable of manufacturing 50,000 dozen in the first year of operation, and as indicated, we are prepared to place with you contracts for 12 months production on the following basis.

30 denier, 51 gauge ...	18,000 dozen
15 denier, 60 gauge ...	32,000 dozen

The prices ruling for the first six months to be as follows:-

30 denier, 51 gauge ...	71/- per doz.
15 denier, 60 gauge ...	79/- per doz.

and thereafter, as we agreed, the prices to be

30

30 denier, 51 gauge ...	62/- per doz.
15 denier, 60 gauge ...	71/- per doz.

The basis for subsequent contracts is that each six months a new contract to be placed, and

Plaintiffs  
Exhibits

-----  
Exhibit "A"

Letter  
Woolworths  
Limited to  
Stirling  
Henry Limited  
(continued)  
10th May 1955

at that date, all outstanding balances to be cancelled, so that you will be holding a twelve months cover for production.

Orders will be placed from time to time drawing stocks ex contract when colour and size proportions will be detailed.

Should you wish to submit this letter, or a copy of same to the Authorities to support your application for an import licence covering the necessary plant and machinery, it is quite in order for you to do so.

10

I would like to record my appreciation of the manner in which our discussions were carried out, and thank you for your co-operative spirit in the course of our negotiations.

Yours faithfully,

D. WILSON

Merchandise Manager - Woolworths Ltd.

DW:fm.

(L.S.)

20

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403.

B

21st November 1955

Messrs. Walter Linton & Bennett,  
Solicitors,  
375, George Street,  
SYDNEY.

Dear Sirs,

STIRLING HENRY LIMITED from WOOLWORTHS LTD.

10 We return herewith agreement which we understand was drafted by you, the form of which we approve. No doubt you will proceed with the engrossment of the final agreement.

Yours truly,

DAWSON WALDRON EDWARDS & NICHOLLS

Encl.

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Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Dawson  
Waldron  
Edwards &  
Co. to  
Walter Linton  
& Bennett

21st November  
1955



Plaintiffs  
Exhibits  
Exhibit "A"  
Letter Walter  
Linton &  
Bennett to  
Dawson  
Waldron  
Edwards & Co.  
23rd November  
1955

WALTER LINTON & BENNETT

Pendennis Chambers,  
375 George Street  
Sydney

23rd November, 1955

Refer to Mr. Linton

Messrs. Dawson Waldron Edwards & Nicholls,  
Solicitors,  
44, Martin Place,  
SYDNEY

10

Dear Sirs,

Re: Woolworths Limited & Stirling Henry  
Limited (B)

We are forwarding you herewith, Agreement in duplicate which has been executed by our clients under common seal, and should be glad if you will have both documents completed under the seal of your client Company and return to us in due course. We suggest that you insert the date at the beginning of the Agreement when your clients have completed the document.

20

We would like to have the original copy for our clients, thus allowing you to retain the executed carbon copy. We assume that the Agreement being under seal will have to be stamped, and you will no doubt attend to this in the ordinary way.

The Promissory Notes referred to in the Agreement will be prepared and submitted for completion by your client Company in due course.

Pending completion by your client Company, the documents will be deemed to be held by you in escrow.

30

Yours faithfully,

WALTER LINTON & BENNETT  
per Walter Linton

Encl.

Duly stamped 3/9d

A G R E E M E N T made this Thirtieth day of  
November One thousand nine  
hundred and fifty five  
B E T W E E N STIRLING HENRY  
LIMITED a Company duly incorporated under the  
Companies Act 1936 whose registered office is at  
The Crescent Flemington near Sydney in the State  
of New South Wales (hereinafter called Stirling  
Henry) of the one part and WOOLWORTHS LIMITED a  
Company duly incorporated under the said Act whose  
registered office is at 80 Market Street Sydney in  
the said State (hereinafter called Woolworths) of  
the other part WHEREBY IT IS WITNESSED as follows:

1. Stirling Henry have undertaken to supply  
Woolworths with Nylon stockings to be manufactured  
by it to meet Woolworths' requirements in that  
regard.

2. The requirements of Woolworths now necessitate  
increased supplies of such goods and to meet  
these requirements Stirling Henry have erected  
new buildings and have installed or will instal  
additional machinery and plant at considerable  
cost.

3. Stirling Henry have requested Woolworths to  
assist financially to meet these requirements  
which Woolworths have agreed to do upon the terms  
specified herein.

4. Woolworths undertake to take over from  
Stirling Henry Bond Warrants covering Nylon  
yarn up to an amount not exceeding 12,000 lbs.  
at a cost of 54/- per lb. such arrangement to  
operate as from the signing of this Agreement and  
to be completed within a period of three months  
from the date hereof.

5. Stirling Henry agree to re-purchase such Bond  
Warrants in multiples of 1,000 lbs. or more and  
to complete the re-purchase not later than the  
Thirty first day of July 1956 time to be deemed  
of the essence of the contract.

6. Woolworths agrees to advance to Stirling  
Henry the sum of Forty five thousand pounds

Plaintiff's  
Exhibits

Exhibit "A"

Agreement  
Stirling  
Henry Limited  
and  
Woolworths  
Limited

30th November  
1955

Plaintiffs  
Exhibits  
-----  
Exhibit "A"  
Agreement  
Stirling  
Henry Limited  
and  
Woolworths  
Limited  
(Contd.)  
30th November  
1955

(£45,000) not earlier than the First day of February 1956 or later than the Thirty first day of March 1956 to facilitate the purchase by Stirling Henry of the additional machinery and plant necessary to provide Woolworths' requirements of Nylon stockings such amount to be repaid by Stirling Henry by instalments of the amounts payable on the dates specified hereunder namely:

30th April	1956	£2000	10
31st May	1956	£3000	
30th June	1956	£4000	
31st July	1956	£4000	
31st August	1956	£5000	
30th September	1956	£5000	
31st October	1956	£5000	
30th November	1956	£5000	
31st December	1956	£6000	
30th January	1957	£6000	

7. Stirling Henry will in addition to the said instalments pay interest on the amount of the said advance for the time being outstanding at the rate of five and one half per centum ( $5\frac{1}{2}\%$ ) per annum. 20

8. The instalments above specified shall be secured by Promissory Notes of Stirling Henry payable on the respective dates which instalments shall include interest thereon from the date of the advance to the expiry date of each Promissory Note. 30

9. It is a specific term of this Agreement that in the event of default being made in the payment of any one or more of such monthly instalments at the times specified for the payment thereof the whole of the balance of the said advance of Forty five thousand pounds (£45,000) outstanding at the date of such default shall fall due and payable and may be recovered accordingly together with interest thereon.

10. Stirling Henry will effect an Insurance Cover on the said additional machinery and plant so as to protect Woolworths in the event of damage by fire or explosion during the period covered by this Agreement. 40

11. Stirling Henry will pay any legal costs and expenses incurred by Woolworths in connection with the preparation of this Agreement and will pay all Stamp Duty in connection with the Promissory Notes herein provided for.

Plaintiffs' Exhibits

Exhibit "A"

Agreement  
Stirling  
Henry Limited  
and Woolworths  
Limited

(Contd.)  
30th November  
1955

IN WITNESS whereof the parties hereto have executed these presents on the day and year firstly hereinbefore written

10 THE COMMON SEAL of STIRLING HENRY LIMITED was hereunto affixed by the Directors whose names are set opposite hereto in the presence of:- ) Directors

Edna Heald

Secretary

20 THE COMMON SEAL of WOOLWORTHS LIMITED was hereunto affixed by authority of the Board of Directors by the Director whose name is set opposite hereto in the presence of:- ) Theo Kelly  
Director

J. A. Dart

Secretary

Plaintiffs  
Exhibit

8th December, 1955

Exhibit "A"  
Letter  
Stirling  
Henry Limited  
to  
Woolworths  
Limited

Messrs. Woolworths Ltd.,  
80 Market Street,  
SYDNEY, N.S.W.

8th December  
1955

Dear Sirs,

Further to our discussion between your Mr. Kelly and Mr. Don Wilson and Mr. Wainberg and the writer, we now enclose herewith invoice for £22,936.10.0. covering 210 Cartons of 15/1 Nylon Yarn, also Bond Warrants covering this quantity of yarn.

10

A further shipment of Nylon Yarn has arrived by the "Strathaird" which we are clearing through the Customs at present and we will forward invoice and Bond Warrants covering this shipment to you in due course.

Yours faithfully,

STIRLING HENRY LTD.

F. A. Johns  
Director

20

---

409.

WALTER LINTON & BENNETT

Pendennis Chambers,  
375 George Street,  
Sydney

WL/C

6th February 1956

Messrs. Dawson Waldron Edwards & Nicholls  
Solicitors,  
44 Martin Place,  
SYDNEY

Plaintiffs  
Exhibits

Exhibit "A"

Letter Walter  
Linton  
Bennett to  
Dawson Waldron  
Edwards & Co.

6th February  
1956

10 Dear Sirs,

re: Woolworths Ltd. and Stirling Henry Ltd.

We understand that the Agreement herein was lodged by you for stamping on the 4th December last, and we are anxious to know whether the document has been returned from the Stamp Office, as our clients are enquiring for same. Will you please have the matter looked into and let us know the position.

Yours faithfully,

20

WALTER LINTON & BENNETT

per: Walter Linton

B.10700

10th February, 1956

Messrs. Walter Linton & Bennett,  
Solicitors,  
375 George Street,  
SYDNEY

Dear Sirs,

STIRLING HENRY LIMITED and WOOLWORTHS LTD.

Letter Dawson  
Waldron  
Edwards & Co.  
to Walter  
Linton &  
Bennett  
10th February  
1956

30 We acknowledge receipt of your letter of the 6th instant and have now received the duly stamped copies of the document.

As requested we send the original stamped document to you.

Yours truly,  
DAWSON WALDRON EDWARDS & NICHOLLS

Encl.

Plaintiffs  
Exhibits

WALTER LINTON & BENNETT

Pendennis Chambers,  
375, George Street,  
Sydney

Exhibit "A"

Letter Walter  
Linton &  
Bennett to  
Dawson Waldron  
Edwards & Co.  
13th February  
1956

WL/C

13th February 1956

Messrs. Dawson Waldron Edwards & Nicholls,  
Solicitors,  
44, Martin Place,  
SYDNEY

Dear Sirs,

10

re: Woolworths Limited and Stirling Henry  
Ltd. - Ref: B.10700

We are in receipt of your favour of the  
10th instant returning the Agreement herein duly  
stamped, for which we thank you.

We are communicating with our clients  
regarding the Promissory Notes specified in  
Clause 8 of the Agreement, and will write you  
further when we receive instructions.

Yours faithfully,

20

WALTER LINTON & BENNETT

per: Walter Linton

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INTERIM CERTIFICATE OF INSURANCE Policy No.  
STEEVES, AGNEW & CO. (AUST.) PTY. LTD.

Harwood House,  
5-7 O'Connell Street  
Sydney

21st March, 1956

Plaintiffs  
Exhibits

Interim  
Certificate  
of Insurance  
Steeves  
Agnew & Co.  
(Aust.) Pty.  
Ltd.  
21st March  
1956

THIS IS TO CERTIFY that goods as specified  
hereunder:-

12 TK 6 Mellor Bromley Full Fashioned  
Hosiery Machines

- 10 Insured on account of STIRLING HENRY LTD.  
THE CRESCENT  
FLEMINGTON and  
WOOLWORTHS LTD. for their respective  
rights and interests

shipped per Conveyances and/or Steamers and/or  
Conveyances approved or held covered.  
From UNITED KINGDOM to SYDNEY,  
AUSTRALIA sailing during APRIL 1956

- 20 have been provisionally insured by us with  
LLOYD'S UNDERWRITERS

for a value of FORTY FIVE THOUSAND POUNDS (AUSTRALIAN)  
(£45,000 (AUST.))

Conditions:- All and every risk of whatsoever  
nature however arising including  
war risks, strikes, riots, civil  
commotions and malicious damage from  
time of leaving office or warehouse  
until delivered to office or warehouse  
of Consignee.

- 30 Subject to Institute Clauses as far as applicable.  
Claims payable irrespective of percentage.  
Subject to the Both to Blame Collision Clause.  
Including an unlimited period of transshipment.

COPY ONLY

For and on behalf of  
STEEVES, AGNEW & CO. (AUST.) PTY.LTD.  
as Brokers

Manager

- 40 In the event of loss or damage notice should  
immediately be given to nearest Lloyd's Agents



Plaintiffs  
Exhibits

WOOLWORTHS LIMITED

80 Market Street,  
Sydney

Exhibit "A"

22nd March, 1956

Letter  
Woolworths  
Limited to  
Stirling  
Henry Limited  
22nd March  
1956

Messrs. Stirling Henry Ltd.,  
The Crescent,  
Flemington,  
Sydney

Attention Mr. Johns

Dear Sirs,

10

re: Advance of £45,000 to be made in  
accordance with the Agreement dated  
30th November, 1955

Following our telephone advice in regard to the Promissory Notes, we now attach hereto ten (10) and with the exception of No.1, all have been completed in regard to the amount which includes principal and interest to the various due dates of repayment.

No.1 promissory note has not been completed for the reason that the amount in this instant should be dependent whether or not the documents can be completed in time for the payment to be made to you tomorrow, the 23rd. It will be necessary however, before completion under seal of the Promissory Notes that the amount be filled in. If payment can be completed by tomorrow afternoon, then the amount of the No.1 Promissory Note will be £2250.17.8. 20

We will draw your attention to the alteration, which has been made to each of the notes to provide for the amount to be repayable at the Bank of New Zealand. We will be pleased if you would initial this alteration in each instance. 30

You will observe that the cost of the impressed Duty on the attached Promissory Notes amounts to £59.15.0. We will arrange to forward a debit note for this charge in due course.

Yours faithfully,  
WOOLWORTHS LIMITED  
E.F.Wilkinson  
Accountant

40

413.

23rd March 1956

The Secretary,  
Messrs. Woolworths Ltd.,  
80 Market Street,  
SYDNEY

Dear Sir,

Re: Advance of £45,000 to be made in  
accordance with the Agreement dated  
the 30th November 1955

---

10 We hand you herewith 10 Promissory Notes  
duly completed under the Seal of the Company  
together with Cover note covering shipment from  
the United Kingdom for Hosiery Machinery. We also  
enclose letter under the seal of the Company  
undertaking to have this machinery covered as  
soon as it arrives at our Flemington premises.

We trust this will place the matter in  
order to your entire satisfaction.

Yours faithfully,

STIRLING HENRY LTD.

20

Director

(L.S.)

---

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Stirling  
Henry Limited  
to  
Woolworths  
Limited

23rd March  
1956

Plaintiffs  
Exhibits  
          
Exhibit "A"  
Promissory  
Note No.1  
Stirling  
Henry Ltd.  
to  
Woolworths  
Ltd.  
31st March  
1956

£2.8.3.  
No.1

Stamped £3/8/3d  
3rd May  
Due ~~30th April~~ 1956

31st March 1956

£2237/6/7

STIRLING HENRY LIMITED

ONE

after date 1

WOOLWORTHS LIMITED or

TWO THOUSAND TWO HUNDRED AND THIRTY SEVEN POUNDS  
SIX SHILLINGS AND SEVEN PENCE

Value received

Payable at the BANK OF NEW ZEALAND  
339 George Street, Sydney

10

The Common Seal of the  
Company was hereunto  
affixed in the presence  
of

EDNA FIELD

}  
B/C 3316  
}

---

p.p. WOOLWORTHS LIMITED

E.F.Wilkinson  
Accountant

(LS.)

THE COMMERCIAL BANK OF AUSTRALIA LTD.

20

S. Hodgkins Teller

PAID  
3.10.56

415.

Stamped £5.5.3  
3/8/56

Plaintiffs  
Exhibits  
Exhibit "A"  
Promissory  
Note No.4  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
31st March  
1956

No.4

Due ~~31st JULY~~ 1956

£4,168.3.3.

31st March 1956

STIRLING HENRY LIMITED

FOUR

after date I

WOOLWORTHS LIMITED

or

FOUR THOUSAND ONE HUNDRED AND SIXTY EIGHT POUNDS  
THREE SHILLINGS AND THREE PENCE Value received

10 Payable at the BANK OF NEW ZEALAND 339,  
George Street, Sydney

The Common Seal of the )  
Company was hereunto )  
affixed in the presence )  
of:

Edna Field

---

PAID - 3.9.56

p.p. WOOLWORTHS LIMITED

E.F.Wilkinson  
Accountant

THE COMMERCIAL BANK OF AUSTRALIA LTD.

20

S. Hodgkins Teller

Plaintiffs Exhibits

£6.14.6

3/9/56

No.5

Due ~~31st August~~, 1956

Exhibit "A"

£5,149. 9. 6.

31st MARCH, 1956

Promissory Note No.5  
Stirling Henry Ltd.  
to  
Woolworths Limited  
31st March 1956

STIRLING HENRY LIMITED

FIVE after date I Promise to pay

WOOLWORTHS LIMITED or

FIVE THOUSAND ONE HUNDRED AND FORTY NINE POUNDS  
NINE SHILLINGS AND SIX PENCE Value received

Payable at the BANK OF NEW ZEALAND  
339 George Street, Sydney

10

The Common Seal of the )  
Company was affixed )  
hereunto in the presence )  
of )

Edna Field

---

PAID - 3.6.56

p.p. WOOLWORTHS LIMITED

E.F.Wilkinson  
Accountant

ENDORSEMENT CORRECT  
THE COMMERCIAL BANK OF AUSTRALIA LTD.

20

S. Hodgkins Teller

417.

£6.13.9

No.6

Due <sup>3/10/56</sup>  
~~30th SEPTEMBER~~ 1956

£5,122. 1. 1.

31st MARCH 1956

STIRLING HENRY LIMITED

SIX

after date I

WOOLWORTHS LIMITED

or

FIVE THOUSAND ONE HUNDRED AND TWENTY TWO POUNDS  
ONE SHILLING AND ONE PENNY

Value received

Plaintiffs  
Exhibits

Exhibit "A"

Promissory  
Note No.6  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
31st March  
1956

10 Payable at the BANK OF NEW ZEALAND  
339 George Street, Sydney.

The Common Seal of the Company  
was hereunto affixed in the  
presence of:

Edna Field

---

PAID 3.9.56

p.p. WOOLWORTHS LIMITED

E, F. Wilkinson  
Accountant

20

ENDORSEMENT CORRECT  
THE COMMERCIAL BANK OF AUSTRALIA LTD.

S. Hodgkins Teller

Plaintiffs  
Exhibits  
-----  
Exhibit "A"  
Promissory  
Note No.7  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
31st March  
1956

£6.13.9

No.7

£5,102.15.4.

Due <sup>3/11/56</sup>~~31st OCTOBER~~ 1956

31st MARCH 1956

STIRLING HENRY LIMITED

SEVEN

after date I

WOOLWORTHS LIMITED

or

FIVE THOUSAND ONE HUNDRED AND TWO POUNDS  
FIFTEEN SHILLINGS AND FOUR PENCE

Value received

Payable at the BANK OF NEW ZEALAND  
339 George Street, Sydney

10

The Common Seal of the Company  
was hereunto affixed in the  
presence of  
Edna Field

---

PAID 4. 2.57

p.p. WOOLWORTHS LIMITED

E.F.Wilkinson  
Accountant

ENDORSEMENT CORRECT  
THE COMMERCIAL BANK OF AUSTRALIA LTD.

20

Teller

419.

£6.13.--.

No.8

£5,076.17.0.

3/12/56

Due ~~30th NOVEMBER, 1956~~

31st March, 1956

STIRLING HENRY LIMITED

EIGHT

after date I Promise to Pay

WOOLWORTHS LIMITED

or order the

FIVE THOUSAND AND SEVENTY SIX POUNDS SEVENTEEN SHILLINGS

Value received

Plaintiffs Exhibits

Exhibit "A"

Promissory Note No.8  
Stirling Henry Ltd.  
to Woolworths Limited  
31st March 1956

10 Payable at the BANK OF NEW ZEALAND  
339 George Street, Sydney.

The Common Seal of the Company  
was affixed in the presence of

---

P A I D 3.12.56

p.p. WOOLWORTHS LIMITED

E.F. Wilkinson  
Accountant

ENDORSEMENT CORRECT  
THE COMMERCIAL BANK OF AUSTRALIA LTD.

20

Teller



Plaintiffs  
Exhibits  
            
Exhibit "A"  
Promissory  
Note No.10  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
31st March  
1956

£8.1.6

No.10

£6,027. 2. 6.

3/2/57

Due 30th JANUARY, 1957

31st MARCH, 1956

STIRLING HENRY LIMITED

TEN Months after date I Promise to pay

WOOLWORTHS LIMITED or order the

SIX THOUSAND AND TWENTY SEVEN POUNDS TWO  
SHILLINGS AND SIX PENCE

Value received

Payable at the BANK OF NEW ZEALAND  
339 George Street, Sydney

10

The Common Seal of the Company  
was hereunto affixed in the  
presence of

Edna Field

---

P A I D 4. 2. 57

pp. WOOLWORTHS LIMITED

E.F.Wilkinson  
Accountant

ENDORSEMENT CORRECT  
THE COMMERCIAL BANK OF AUSTRALIA LTD.

20

Teller

23rd March 1956

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
23rd March  
1956

The Secretary,  
Messrs. Woolworths Ltd.,  
80 Market Street,  
SYDNEY

Dear Sir,

Re-advance of £45,000 to be made in  
accordance with the Agreement dated  
the 30th November 1955.

---

10

With reference to 12 TK 6 Mellor  
Bromley Full Fashioned Hosiery Machines which  
we are importing from the United Kingdom, we  
undertake to have these Machines insured  
immediately they are delivered to our Mills at  
Flemington in the name of Stirling Henry Limited  
and Woolworths Ltd. for their respective rights  
and interests.

Yours faithfully,

STIRLING HENRY LIMITED

20

The Common Seal of Stirling )  
Henry Limited was hereunto )  
affixed by )

Director

Edna

Director

in the presence of:

Alexander Wainberg and  
Frederick Allen Johns.

26th March 1956

Plaintiffs  
Exhibits

Exhibit "A"  
Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
26th March  
1956

E.F. Wilkinson, Esq.  
Accountant,  
Messrs. Woolworths Ltd.  
80, Market Street,  
SYDNEY

Dear Sir,

We herewith enclose receipt for £45,000  
received from you to-day, for which please  
accept our thanks.

10

Yours faithfully,

STIRLING HENRY LIMITED

Secretary

Letter  
Walter  
Linton &  
Bennett to  
Dawson  
Waldron  
Edwards &  
Co.  
24th August  
1956

WALTER LINTON & BENNETT

Pendennis Chambers,  
375, George Street,  
Sydney

WL/C

24th April 1956

Messrs. Dawson Waldron Edwards & Nicholls,  
Solicitors,  
44 Martin Place,  
SYDNEY

20

Dear Sirs,

re: Woolworths Limited & Stirling Henry Ltd.

This matter having been finalised, we are  
enclosing herewith a memo of our costs as  
mentioned to your Mr. Single this morning. We  
shall be glad to receive a cheque in due course.

Yours faithfully,  
WALTER LINTON & BENNETT  
Per: Walter Linton

30

Encl.

WALTER LINTON & BENNETT

Pendennis Chambers,  
375, George Street,  
Sydney

Plaintiffs  
Exhibits

Exhibit "A"

WL/C

7th June, 1956

Messrs. Dawson Waldron Edwards & Nicholls,  
Solicitors,  
44 Martin Place,  
SYDNEY.

Letter  
Walter  
Linton &  
Bennett  
to Dawson  
Waldron  
Edwards &  
Co.  
7th June  
1956

Dear Sirs,

10

re: Woolworths Limited and Stirling Henry  
Limited

On the 24th April last we forwarded you a memo of our costs in connection with this matter, but so far we have not received the amount, and as it comprised a very substantial sum for Stamp Duty paid on the Promissory Notes, we shall be glad if you will procure and forward us a cheque without further delay.

Yours faithfully,

20

WALTER LINTON & BENNETT

Per: Walter Linton.

---

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
4th February  
1957

WOOLWORTHS LIMITED

80, Market Street,  
Sydney

4th February, 1957

Messrs. Stirling Henry Ltd.,  
The Crescent,  
Flemington.

Dear Sirs,

Re: Agreement of the 30th November, 1955  
between yourself and this Company

10

Following the discussion this afternoon regarding repayment of advance made under the above Contract in respect of Bond Warrants held by this Company and covering cartons of Yarn held in Holmes & Hendy free stores, it is to be understood that the arrangement made this afternoon was that interest on the advance of £16,166.7.1, representing 149 cartons of Yarn be payable by you at 5 $\frac{1}{2}$ % from the period 1st August last to the 31st January, which amounts to £444.11.4. Debit Note for this amount is attached hereto.

20

It is also confirmed that you agree to repay to this Company the amount outstanding of £16,166.7.1 in 3 amounts.

The first amount of £5,535. 0. 0. payable on the 4th March, 1957.

The second amount of £5,535. 0. 0. payable on the 4th April, 1957.

The third amount of £5,096. 7. 1 payable on the 4th May, 1957.

30

Interest again would be chargeable on the balance due up to and including the date of the final payment.

Would you kindly indicate your being in agreement with the foregoing arrangements at your earliest convenience by letter, as same is required for audit purposes as our annual balance takes place as at the 31st ult.

Yours faithfully,  
WOOLWORTHS LIMITED  
E.F. Wilkinson  
Accountant

40

7th February 1957

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Stirling  
Henry Limited  
to  
Woolworths  
Limited  
7th February  
1957

E. F. Wilkinson, Esq.  
Accountant,  
Woolworths Limited,  
Market Street,  
SYDNEY.

Dear Sir,

re: Agreement of the 30th November  
1955

10 We have for acknowledgment your letter of  
the 4th instant and confirm the arrangement as  
outlined therein.

We enclose cheque for £444.11.4. in payment  
of your Debit Note. Please acknowledge receipt.

Yours faithfully,

STIRLING HENRY LIMITED

Secretary.

---

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
8th April  
1957

WOOLWORTHS LIMITED

80 Market Street,  
Sydney

8th April, 1957

The Managing Director,  
Stirling Henry Ltd.  
The Crescent,  
FLEMINGTON

Dear Mr. Wainberg,

F. F. Nylon Hosiery

10

Following on our recent discussion we have further investigated the prices of both 15 and 30 denier F.F. Nylon Hosiery. After taking into consideration all of the facts as discussed, we consider that an interim price of 76/- per dozen for the 15 denier and 68/6 per dozen for the 30 denier should operate as and from Monday 15th April.

We would like to make it clear, however, that our object is to get down to the prices originally given to you by Mr. Wilson in your early discussions with him. 20

Today F.F. Hose is approaching an overproduced state and this being the case we expect to receive many more offers than has been the case in the past. We feel that it will be essential, if we are to maintain our lead in this field, for our selling prices to be reduced to 7/11 for the 15 denier and for 30 denier 6/11 to 7/6.

We recently made a survey of the retail trade in Sydney and have found that all of the main hosiery retailers are today marketing 15 and 30 denier under their own brand names at the same price as ourselves. 30

Mr. Cooper this week is in Melbourne and will be making an investigation into the present cost structures and on his return we will be contacting you again in reference to costs.

Yours faithfully,

WOOLWORTHS LIMITED

Dept. Merchandise Manager

40

RHF:PW

11th April 1957

Plaintiffs  
Exhibits

---

The Merchandise Manager,  
Woolworths Limited,  
80 Market Street,  
SYDNEY, N.S.W.

Exhibit "A"  
Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
11th April  
1957

Dear Mr. Fleming,

10 We are in receipt of your letter of the  
8th instant, re the alteration in price of F.F.  
Nylon Hosiery. Your suggestion that the prices  
should be: 15 denier 76/- per dozen, 30 denier  
68/6 per dozen, operative from 15th April, 1957,  
is accepted.

We would, however, have preferred this  
alteration to have been delayed until 30th  
June, 1957, the end of our financial year.

Yours faithfully,

STIRLING HENRY LIMITED

A. WAINBERG

Managing Director.

---



Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
3rd July  
1957

3rd July 1957

Woolworths Ltd.,  
80 Market Street,  
SYDNEY.

Dear Sir,

Attention Mr. Fleming

This letter will serve to confirm that after discussions with your Messrs. Wilson and Fleming we have ordered an additional twelve Mellor Bromley 60 Gauge Fully Fashioned Hosiery Machines. 10

This would give us from the total plant approximate production of 800 dozen 51 gauge per week and 1000 dozen 60 gauge per week. The promised shipment from England for these machines is six in September and six in October.

We trust this information will enable you to plan accordingly.

Yours faithfully,

STIRLING HENRY LTD. 20

A. Wainberg

Managing Director.

---

WOOLWORTHS LIMITED

80, Market Street,  
Sydney

HHR/MH

10th December, 1957

Mr. A. Wainberg,  
Managing Director,  
Stirling Henry Limited,  
The Crescent,  
FLEMINGTON.

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
10th December  
1957

10 Dear Mr. Wainberg,

This will confirm our discussion yesterday, during which it was agreed that the following costs and terms would be effective for Hosiery on and from 1/1/58:-

Fairyweb 15 Denier 51 Gauge - 67/6 dozen.

" 15 " 60 " - 67/6 "

Captivation 30 Denier 51 Gauge - 67/6 dozen.

Fairyweb Special 60's Boxed - 75/- dozen.

Mediums of all lines - 57/6 dozen.

20 Cartons will be chargeable and returnable at cost, and payment terms will be nett 7 days.

Thanking you for your co-operation and with Seasonal Greetings.

Yours faithfully,

WOOLWORTHS LIMITED

H.G. Ross

Merchandise Controller 'C'

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Stirling  
Henry Ltd.

to  
Woolworths  
Limited  
25th March  
1960

STIRLING HENRY LTD.

The Crescent,  
Flemington,  
Sydney

25th March, 1960

Woolworths Ltd.,  
80 Market Street,  
SYDNEY.

Dear Sirs,

Attention Mr. E. W. Cooper

10

Your letter of March 22nd received, and we have noted your comments on costs of envelopes for F.F. Hosiery. It is apparent that, after every avenue for holding costs down has been explored, the increased prices are inevitable. The same remarks apply also to the single boxes.

We are therefore anxious to know if you are prepared to agree to these additional costs being added to your present prices.

Yours faithfully,

20

STIRLING HENRY LTD.

A.P. Stopford

Merchandise Manager

---

EWC/DW

31st March 1960

Messrs. Stirling Henry Ltd.,  
The Crescent,  
FLEMINGTON.

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
31st March  
1960

Dear Sirs,

Attention: Mr. Stopford

10 Hosiery Envelope and Box Costs. In reply to your letter of 25th inst. we regret that we cannot see our way clear to agree to the additional costs being added to our present prices, as other Manufacturers are still supplying us at much lower prices for the same lines, and at less normal cash terms of either  $3\frac{3}{4}\%$  7 days, or  $2\frac{1}{2}\%$  30 days, compared with your Nett 30 days.

In fact, since February, prices have eased further for 15 denier fully fashioned plain and mesh construction, and our most recent placements have been as follows:-

20 15/51 Plain 51/6d  
15/60 Plain 56/6d (Some lower. Have been buying at 58/6d since June 1959)  
15/51 Mesh 64/-  
30/51 Plain 59/-, 52/6d.

All the above packed in printed cello envelopes.

30 For the past six months, Coles have had a boxed 15/60 line selling at 6/11d pair, and have recently improved the quality of the box to that of our Special 60's, which we are still endeavouring to sell at 7/11d pair on your cost of 68/-. We would have no difficulty in placing this line around 59/- to 60/- today. We are forwarding a sample of Coles' line for your inspection.

As we expect sales of the Special 60's to fall in the face of this competition, please do not place any further contracts for these boxes without reference to the writer.

Plaintiffs  
Exhibits

            
Exhibit "A"

Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
31st March  
1960  
(Continued)

With the pronounced swing to Seamfree Hosiery now being experienced here following this trend overseas, we expect full-fashioned prices will tend to weaken further.

Yours faithfully,

WOOLWORTHS LIMITED

E. W. Cooper - Buyer

---

Date: 2/2/1961  
 Stirling Henry Ltd.  
 The Crescent,  
 Flemington.

Deliver and Invoice to:  
 WOOLWORTHS LTD. at BULK STORE,  
 GLEBE

Terms etc. N.7  
 Prices etc. FIS  
 Cases etc. Free  
 Sales Tax Exempt  
 Order ex Contract No.

WOOLWORTHS LIMITED  
 Corner Ross and  
 Hereford Streets,  
 Glebe, N.S.W.

Important  
 Mark Cases and  
 Invoices with  
 Branch Mark  
 over Order No.

SYDBULK 50702  
 SYDNEY

Plaintiffs  
 Exhibits

Exhibit "A"

Order No.  
 50702  
 Woolworths  
 Limited to  
 Stirling  
 Henry Ltd.  
 2nd February  
 1961

F.O.R./F.O.B. DELIVERY INSTRUCTIONS

1. MELBOURNE SUPPLIERS - Deliver to Rudders Ltd.  
 OTHER SUPPLIERS - Rail at Commissioner's risk.  
 DO NOT INSURE WHEN FORWARDED AS ABOVE.
2. If sent by sea, air or road insure with Royal  
 Insurance Co. under our open policy at invoice  
 cost plus 15%.

20 Please supply in good order and condition,  
 correctly labelled, branded and described in  
 accordance with any acts, Regulations or  
 Proclamations applicable to this merchandise.

<u>Qty.</u>	<u>Unit</u>	<u>Description of Goods</u>	<u>Quote this Ref. No. on Invoice</u>	<u>Price Per</u>
200	dzs.	Hosiery F/F Nylon 30 Den. Medium Balanced Size Range Assorted Colour	HN45	47/- dozen

Not earlier than at once Not later than

Signature: E. W. Cooper

INVOICES must quote WOOLWORTHS ORDER No. ACCOMPANY  
 ANY GOODS and be addressed to the RECEIVING BRANCH

Statements to be forwarded to 80 Market Street,  
 Sydney, (.G.P.O. Box 4068)

40 The Company reserves the right to vary or cancel any  
 portion of this order not delivered within three  
 months of the date of order (or within the specified  
 delivery dates), or in the event of the supplier  
 making any variation in cost or terms, and to refuse  
 acceptance of any goods delivered after date of  
 cancellation.

Plaintiffs  
Exhibits  
            
Exhibit "A"  
  
Order No.  
38761  
  
Woolworths  
(Q'land)  
Limited to  
Stirling  
Henry Ltd.  
  
2nd February  
1961

Date 2/2/1961  
To Stirling Henry Ltd.  
The Crescent,  
Flemington  
  
Deliver and Invoice to:  
WOOLWORTHS (Q'land)  
LTD. at Southpine Road,  
Everton Park.  
Terms etc. N.7  
Prices etc. FIS  
Cases etc. FREE  
Sales tax: Exempt  
Order ex Contract No.

} WOOLWORTHS (Q'LAND)  
} LIMITED  
} Southpine Road,  
} Everton Park  
} IMPORTANT:-  
} Mark Cases and Invoices  
} with Branch Mark over  
} Order No.  
} BRISBULK  
} 38761  
} BRISBANE

10

F.O.R./F.O.B. DELIVERY INSTRUCTIONS.

1. Sydney and Melbourne Suppliers - Delivery to Rudders Ltd.  
DO NOT INSURE WHEN FORWARDED AS ABOVE.
2. Other Suppliers - If sent by sea, air, or road, insure with Royal Insurance Co., under our open policy at invoice cost plus 15%.

20

Please supply in good order and condition, correctly labelled, branded and described in accordance with any acts, Regulations or Proclamations applicable to this merchandise.

Qty.	Unit	Description of Goods	Quote this Ref. No. on Invoice	Price Per
100	dz prs.	Hosiery F/F/ Nylon 15 Den. Medium Assorted Colours Balanced Size Range	HN15	47/- dz.pr. 30

Deliveries Not earlier than at once  
Not later than  
Signature: E.W. Cooper

INVOICES must quote WOOLWORTHS ORDER No. ACCOMPANY ANY GOODS and be addressed AS ABOVE.

Statements to be forwarded to 174-178 Queen Street, Brisbane (G.P.O. Box 1417T)

The Company reserves the right to vary or cancel any portion of this order not delivered within three months of the date of order (or within the specified delivery dates), or in the event of the supplier making any variation in cost or terms, and to refuse acceptance of any goods delivered after date of cancellation.

40

435.

WOOLWORTHS LIMITED

80 Market Street,  
Sydney

10th July, 1961

Stirling Henry Ltd.,  
The Crescent,  
FLEMINGTON,  
N.S.W.

Plaintiffs  
Exhibits  
          
Exhibit "A"  
Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
10th July  
1961

Attention Mr. Alex Wainberg

10 Dear Sir,

re: HOSIERY ORDERS & CONTRACTS

Confirming our recent discussions, we enclose herewith the following contracts covering our requirements up to December, 31st 1961 of full fashioned nylons.

	<u>Contract No.</u>	<u>Quantity</u>	<u>Description</u>	<u>Cost</u> <u>Doz.</u>
	6090	21,500 doz.	B.33 15 Den. 60 gauge Fairyweb	56/6
20	6091	10,500 doz.	B.56 30 Den. 51 gauge Captivation	60/-
	6092	4,850 doz.	B.29 15 Den. 51 gauge Fairyweb Mesh	59/3
	6093	3,000 doz.	B.80 15 Den. 51 gauge Famous Maker	51/6
30	6094	4,000 doz.	XN T.B.A. 15 Den. 51 Gauge Famous Maker	51/6



<u>Plaintiffs Exhibits</u>	<u>Contract No.</u>	<u>Quantity</u>	<u>Description</u>	<u>Cost doz.</u>	
Exhibit "A"	6095	As specified	HN.15 15 Den. 51/60 Gauge Mediums	44/-	
Letter Woolworths Limited to Stirling Henry Ltd. 10th July 1961 (Continued)	6096	"	HN.45 30 Den. 51 Gauge Mediums	44/-	
	6097	"	HN. T.B.A. 15 Den. 51 Gauge Mesh Mediums	44/-	10

Orders are now being prepared for 4,000 doz. 15/60 Nylons, Cost 44/- doz. pairs for immediate delivery and you will receive these within the next few days. Orders totalling 2175 doz. 15 denier Ladderless Mesh Fairyweb TAHITI TAN are enclosed.

On the 2nd October we will again discuss the question of prices and our requirements from the 1st January to the 31st March, 1962.

In view of the impact that Seamless Hosiery is having on the Fully Fashioned Market, we feel that in all fairness we must today, give you the right to sell Fully Fashioned Hosiery elsewhere.

Yours faithfully,

WOOLWORTHS LIMITED

E. W. COOPER  
Buyer

---

20

Contract No. 6090, Woolworths  
Limited to Stirling Henry Ltd.  
10th July 1961

Date 10/7/61.....

CONTRACT

Contract No. C/N. ...6090.....

ORIGINAL..... Copy

To STIRLING HENRY LTD.,.....

WOOLWORTHS LIMITED

THE CRESCENT,.....

80 MARKET STREET  
SYDNEY

FLEMINGTON, N.S.W. ....

Terms Payable in:- NETT 7 days

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- EXTRA RETURNABLE

Delivery as required:- BETWEEN 10/7/61 and 31/12/61.

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the contract that goods are to be delivered within three months of the specified delivery date as shown on the said orders. In the event of goods not being delivered within the specified time, the Company reserves the right to cancel the undelivered portion of the said contract.
3. No contract valid unless signed by Merchandise Manager or Buying Manager.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
F.B.33	21500	doz. prs.	Hosiery W/F Nylon 15 den. 60 gauge Fairyweb	56/6	dz. prs.			
			The total of 21500 doz. includes revised estimated forward requirements in sizes & colours of 6381 doz. as advised in our letter of 23rd May, but does not include any official orders held by Stirling Henry on 21st June nor orders placed for 3625 doz. new shade Tahiti Tan.					
Buyer			J. A. MILLER Merchandise Mgr. or Buying Mgr.			£		

Exhibit "A"

Contract No. 6091, Woolworths  
 Limited to Stirling Henry Ltd.  
 10th July 1961

Date 10/7/61

CONTRACT

Contract No. C/N. 6091

ORIGINAL..... Copy

To STIRLING HENRY LTD.,  
 THE CRESCENT,  
 FLEMINGTON, N.S.W.

WOOLWORTHS LIMITED  
 80 MARKET STREET  
 SYDNEY

Terms Payable in:- NETT 7 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- EXTRA RETURNABLE

Delivery as required:- BETWEEN 10/7/61 and 31/12/61

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the contract that goods are to be delivered within three months of the specified delivery date as shown on the said orders. In the event of goods not being delivered within the specified time, the Company reserves the right to cancel the undelivered portion of the said contract.
3. No contract valid unless signed by Merchandise Manager or Buying Manager.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
REF.B.56	10500	dz.prs.	HOSIERY F/F NYLON 30 DENIER CAPTIVATION	60/-	dz. prs.			
			The total of 10500 doz. pairs includes estimated forward requirements in sizes and colours of 2233 doz. pairs as advised in our letter dated 22nd May 1961, but does not include any official orders held by Stirling Henry on 21st June, 1961.					
Buyer			J. A. MILLER Merchandise Mgr. or Buying Mgr.			£		

Contract No. 6092, Woolworths  
Limited to Stirling Henry Ltd.  
10th July 1961

Date 10th July, 1961

CONTRACT

Contract No. C/N. .... 6092 .....

ORIGINAL ..... Copy

To STIRLING HENRY LTD. ....

The Crescent, .....  
FLEMINGTON, N.S.W. ....

WOOLWORTHS LIMITED

80 MARKET STREET  
SYDNEY

Terms Payable in:- NETT 7 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- EXTRA RETURNABLE

Delivery as required:- BETWEEN 10/7/61 and 31/12/61

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the contract that goods are to be delivered within three months of the specified delivery date as shown on the said orders. In the event of goods not being delivered within the specified time, the Company reserves the right to cancel the undelivered portion of the said contract.
3. No contract valid unless signed by Merchandise Manager or Buying Manager.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
REF.B.29	4850	doz. prs.	HOSIERY F/F NYLON 15 DENIER LADDERLESS MESH FAIRYWEB	59/3	dz.prs.			
			The total of 4850 doz.prs. includes initial orders for the new shade TAHITI TAN totalling 2175 doz. prs as follows:					
			Sydbulk O/N No.18729 = 1145 doz.					
			Brisbulk O/N 25571 = 394 "					
			Wabulk O/N 009747 = 130 "					
			Rundle St. O/N. 18781 = 40 "					
			Viobulk O/N. 13418 = 466 "					
			=====					
			2175					
			=====					
			J. A. MILLER					
		Buyer	Merchandise Mgr. or Buying Mgr.			£		

Exhibit "A"

Contract No. 6093, Woolworths Limited to Stirling Henry Ltd. 10th July 1961

Date 10th July 1961

CONTRACT

Contract No. C/N. 6093

ORIGINAL ..... Copy  
 To STIRLING HENRY LTD.  
 The Crescent,  
 FLEMINGTON, N.S.W.

WOOLWORTHS LIMITED  
 80 MARKET STREET  
 SYDNEY

Terms Payable in:- NETT 7 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- EXTRA RETURNABLE

Delivery as required:- BETWEEN 3/7/61 and 31/12/61.

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the contract that goods are to be delivered within three months of the specified delivery date as shown on the said orders. In the event of goods not being delivered within the specified time, the Company reserves the right to cancel the undelivered portion of the said contract.
3. No contract valid unless signed by Merchandise Manager or Buying Manager.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
REF.B.80	3000	dz.prs.	HOSIERY F/F NYLON 15 DENIER FAMOUS MAKER  The total of 3,000 doz. prs. includes the following orders recently placed.  3rd July Sydbulk O/N.58047 = 480 doz. " " Viobulk O/N.13415 = 226 " 6th July Brisbulk O/N.46248= 12 "  <u>718 doz.</u>	51/6	dz.prs.			
E. W. Cooper Buyer			J. A. MILLER Merchandise Mgr. or Buying Mgr.			£		

Exhibit "A"

Contract No. 6094, Woolworths  
Limited to Stirling Henry Ltd.  
10th July 1961

Date 10th July, 1961

CONTRACT

Contract No. C/N. 6094

ORIGINAL Copy

To STIRLING HENRY LTD.

The Crescent,

FLEMINGTON, N.S.W.

WOOLWORTHS LIMITED

80 MARKET STREET  
SYDNEY

Terms Payable in:- NETT 7 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- EXTRA RETURNABLE

Delivery as required:-

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the contract that goods are to be delivered within three months of the specified delivery date as shown on the said orders. In the event of goods not being delivered within the specified time, the Company reserves the right to cancel the undelivered portion of the said contract.
3. No contract valid unless signed by Merchandise Manager or Buying Manager.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
T.B.A.	4000	dz.prs.	HOSIERY F/F NYLON 15 DENIER  Reference number and envelope design to be advised when orders are placed.  Delivery into store each state in one total between 7th and 14th December 1960 and to be invoiced as 2nd February 1961. Delivery date may be deferred to 10th January depending on date of promotion which has not yet been finalised.	51/6	dz. prs.			
E. W. Cooper Buyer			J. A. MILLER Merchandise Mgr. or Buying Mgr.			£		

Exhibit "A"

Contract No. 6095, Woolworths  
 Limited to Stirling Henry Ltd.  
 10th July 1961

Date 10th July, 1961

CONTRACT

Contract No. C/N. 6095.....

ORIGINAL..... Copy  
 To STIRLING HENRY LTD.  
 THE CRESCENT,  
 FLEMINGTON, N.S.W.

WOOLWORTHS LIMITED  
 80 MARKET STREET  
 SYDNEY

Terms Payable in:- NETT 7 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- EXTRA RETURNABLE

Delivery as required:- Between 10th July and 31st December, 1961

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the contract that goods are to be delivered within three months of the specified delivery date as shown on the said orders. In the event of goods not being delivered within the specified time, the Company reserves the right to cancel the undelivered portion of the said contract.
3. No contract valid unless signed by Merchandise Manager or Buying Manager.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
15	410 doz. prs. <u>PLUS</u>		Hosiery F/F Nylon 15 Den. Mediums  Quantity above is total stock held by Stirling Henry on 28th June, 1961 comprising 306 60 gauge and 104 doz. 51 gauge plus any mediums accruing from contracts 6090,6093, and orders now being placed for 4000 doz. 15/60 gauge plain pack nylons for "At once" delivery, and available for delivery by the 31st December, 1961.	44/-	dz. prs.			
E. W. Cooper  Buyer			J. A. MILLER  Merchandise Mgr. or Buying Mgr.			£		

Contract No. 6096, Woolworths  
Limited to Stirling Henry Ltd.  
10th July 1961

Date 10th July, 1961

CONTRACT

Contract No. C/N. 6096

ORIGINAL..... Copy

To STIRLING HENRY LTD.

WOOLWORTHS LIMITED

THE CRESCENT,

80 MARKET STREET  
SYDNEY

FLEMLINGTON, N.S.W.

Terms Payable in:- NETT 7 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- EXTRA RETURNABLE

Delivery as required:- BETWEEN 10th JULY and 31st DECEMBER, 1961.

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the contract that goods are to be delivered within three months of the specified delivery date as shown on the said orders. In the event of goods not being delivered within the specified time, the Company reserves the right to cancel the undelivered portion of the said contract.
3. No contract valid unless signed by Merchandise Manager or Buying Manager.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
HN 45	354	doz.prs. PLUS	HOSIERY F/F NYLON 30 DENIER MEDIUMS  Quantity above is total stock held by Stirling Henry on 28th June, 1961 plus any mediums accruing from Contracts 6091 available for delivery by 31st December, 1961.	44/-	dz. prs.			
E. W. Cooper Buyer			J. A. MILLER Merchandise Mgr. or Buying Mgr.			£		



Exhibit "A"

Contract No. 6097, Woolworths Limited to Stirling Henry Ltd. 10th July 1961

Date 10th July, 1961

CONTRACT

Contract No. C/N. ...6097.....

ORIGINAL ..... Copy  
 To STIRLING HENRY LTD.  
 THE CRESCENT,  
 FLEMINGTON, N.S.W.

WOOLWORTHS LIMITED  
 80 MARKET STREET  
 SYDNEY

Terms Payable in:- NET 7 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- EXTRA RETURNABLE

Delivery as required:- BETWEEN 10th JULY and 31st DECEMBER, 1961.

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the contract that goods are to be delivered within three months of the specified delivery date as shown on the said orders. In the event of goods not being delivered within the specified time, the Company reserves the right to cancel the undelivered portion of the said contract.
3. No contract valid unless signed by Merchandise Manager or Buying Manager.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
XN	A. see below X		HOSIERY F/F NYLON 15 DENIER LADDERLESS MESH MEDIUMS  X ALL MEDIUMS ACCRUING FROM CONTRACT 6092 AVAILABLE FOR DELIVERY BY 31/12/61.	44/-	dz. prs.			
E.W.Cooper Buyer			J. A. MILLER Merchandise Mgr. or Buying Mgr.			£		

AJS.JCZ

27th July, 1961.

Plaintiffs  
ExhibitsWoolworths Limited,  
80 Market Street,  
SYDNEY, N.S.W.Attention: Mr. E.W. Cooper

Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
27th July  
1961.

Dear Sir,

10 We wish to acknowledge your letter of the  
10th instant and thank you for the Contracts  
Nos. 6090-6097 for Fully Fashioned Hosiery.

20 We must draw your attention to the  
necessity of supplying us with the relevant  
colour and size details in sufficient time to  
enable us to execute your requirements in con-  
formity with the deliveries stipulated in your  
Contracts. As you know our Dye House and  
Finishing Sections are geared to process the  
knitted stockings as they come from the  
machines and any bottle-neck created through not  
having details could throw all the production  
into confusion and could render your Contracts  
meaningless because we could find ourselves  
unable to deliver as stipulated in your  
Contracts, or at the best we would be involved  
in very heavy overtime payments which we could  
not afford in view of the fact that we had to  
accept such drastic reductions in prices,  
30 amounting in some instances to over 25%.

We confirm the arrangements made as  
regarding a meeting to be held every three  
months, the next to take place on October 2nd,  
1961. At this meeting quantity and price of  
the various lines will be arranged for a period  
of three months trading so that at every meeting  
we will have quantity and prices for the next  
six months production.

40 In reference to the last paragraph of your  
letter - since we received it we have approached  
several likely Hosiery buyers and have found  
that at present it is almost impossible to  
secure business, in fact we were asked how we  
could expect business now when trade is diffi-  
cult, when we had not been prepared to solicit  
orders when conditions were favourable. As

Plaintiffs  
Exhibits

Woolworths Limited.

27th July, 1961.

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Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
(continued)  
27th July  
1961.

you will understand our agreement with your good self, which prevented us from offering any part of our Hosiery production to anyone else, has for many years precluded any contact on our part with the general market for these goods.

It seems to us that we must continue to rely on you for absorption of our production and rely on our agreement that you will not purchase elsewhere any Fully Fashioned Hosiery that we are able to produce until all our production has been absorbed by you. After all, you have been purchasing very large quantities of Fully Fashioned Hosiery besides our own production and also your organization is constantly growing, so under these circumstances we feel we can look forward to doing business together as in the past.

10

20

Yours faithfully,  
STIRLING HENRY LIMITED.

A. J. Stopford

A. J. STOPFORD  
MERCHANDISE MANAGER.

WOOLWORTHS LIMITED

GPO BOX 4068

REG OFFICE  
80 MARKET STREET  
SYDNEY

Telephone  
2 0153

W

Plaintiffs  
Exhibits

Exhibit "A"

1st August, 1961.

Letter  
Woolworths  
Limited  
to  
Stirling  
Henry Ltd.  
1st August  
1961.

Stirling Henry Ltd.,  
The Crescent,  
10 FLEMINGTON...N.S.W.

For the attention of Mr.A.J.Stopford.

Dear Sir,

Fully Fashioned Hosiery  
Your letter dated 27th July.

20 It was indeed a great surprise to us to receive your letter which, in effect, if accepted by us would re-open the whole question of the supply of fully fashioned hose.

This matter was discussed at length by Mr. A. Wainberg, your Managing Director, and yourself with our Managing Director, Mr. Kelly, and Merchandise Manager, Mr. Fleming. This talk lasted for some time and all aspects of the matter were thoroughly discussed.

30 In brief, it was resolved that we would purchase 75% of our requirements from you at market prices, total purchases to be not less than 50,000 dozen per annum unless the situation arose whereby our total requirement was less than this figure. We would give you the opportunity of quoting on the 25% balance of our requirements.

You must, therefore, be clear that we cannot accept the proposals as outlined in your letter under discussion, particularly those referred to in the last paragraph of your letter on the second page.

40 Yours faithfully,  
WOOLWORTHS LIMITED.

J. A. Miller  
J. A. MILLER.  
MERCHANDISE CONTROLLER.

Plaintiffs  
Exhibits

AJS.JCZ

9th August, 1961.

Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
9th August  
1961.

Woolworths Limited,  
80 Market Street,  
SYDNEY, N.S.W.      Attention: Mr. J.A. Miller

Dear Sir,

We thank you for your letter of August 1st in reply to ours of July 27th, and, after carefully re-reading our letter, we are unable to see any really contentious points. As a result of this we feel it will be better to deal individually with each paragraph of our letter and we submit the following comments as we see them:

PARAGRAPH 1

Confirms receipt of your Contracts and is self explanatory.

PARAGRAPH 2

Deals only with the necessity of having relevant colour and size details to allow the goods to be produced in time for the required delivery. We feel sure you will agree that this is obviously a reasonable request, more so that in the past you have been taking the goods as they have been produced and now we have to stock-pile, which, incidentally, puts a rather heavy financial strain on us.

PARAGRAPH 3

This covers the suggestion made by you as regards a meeting every three months and is also self explanatory.

PARAGRAPH 4

This is a statement of fact about the Fully Fashioned Hosiery position as we found it when we endeavoured to sell some of our production elsewhere.

LAST PARAGRAPH

This paragraph to which you principally object is merely an explanation of the position in which we are finding ourselves in relation to our total

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Woolworths Limited.

- 2 - 9th August,  
1961.Plaintiffs  
Exhibits

10 out-put because of circumstances as mentioned in Paragraph 4 in our letter of July 27th. As you know our plant was purchased at your request for manufacturing solely for you on the understanding that you would not buy elsewhere until you had absorbed the whole of our production, this agreement has always been followed and as a result we have no other market, except yourself, for our goods, and naturally mentioned that we have to rely on you to absorb our production.

Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
(continued)  
9th August  
1961.

20 With regard to the third paragraph in your letter of August 1st, this is substantially as suggested by Mr. Kelly, with the exception of the reference to 25%. In connection with this 25%, you were to give us the first refusal to supply to you full fashioned hosiery which may be offered to you by other manufacturers at prices lower than market prices, and not merely give us the opportunity to quote for the supply of same. In other words, should you be offered fully fashioned hosiery at lower than market prices, and be interested in purchasing same, you would inform us of this position and give us the first opportunity to supply goods at this price.

30 Trusting this clears any misunderstanding which you might have had in connection with this matter.

Yours faithfully,  
STIRLING HENRY LIMITED.

A. J. Stopford

A. J. STOPFORD  
MERCHANDISE MANAGER.

Plaintiffs  
Exhibits

C O P Y

12th September, 1961.

Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
12th Sept-  
ember 1961.

Messrs. Woolworths Ltd.  
80, Market Street,  
SYDNEY. N.S.W.      Attention: Mr. E. Cooper.

Dear Sirs,

10

In reference to your telephone enquiry of 11th inst., whether we are in a position to supply you, additional to Contracts in hand, with 2000 dozen F F Hosiery at 45/- packed as "FAMOUS MAKER OR CELEBRATION", we wish to thank you for giving us this opportunity and confirm that we will be happy to accept this order.

Will you kindly let us know colour and size details as soon as possible to enable the work to be put in hand.

20

Yours faithfully,  
STIRLING HENRY LTD.

A. J. Stopford

MERCHANDISE MANAGER.

451.

4th October, 1961.

Plaintiffs  
Exhibits

Messrs. Woolworths Ltd.  
80, Market Street,  
SYDNEY. N.S.W.

Attention Mr. E. Cooper

Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
4th October  
1961.

Dear Sirs,

10

We wish to draw to your attention that we have not as yet received Full Fashioned Hosiery Contracts for the period January 1st 1962 to March 31st 1962, which were due on October 2nd 1961.

Your early attention to this matter will be appreciated.

Yours faithfully,  
STIRLING HENRY LTD.

A. J. Stopford

20

MERCHANDISE MANAGER.



Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
Limited  
to  
Stirling  
Henry Ltd.  
13th October  
1961.

Telephone  
B 0153

WOOLWORTHS LIMITED

GPO BOX 4068

REG. OFFICE  
80 MARKET STREET  
SYDNEY

13th October, 1961.

Stirling Henry Ltd.,  
The Crescent,  
FLEMINGTON..N.S.W.

Attention Mr. Alex Wainberg.

Dear Sir,

RE FULL FASHIONED HOSIERY PRICES.

We wish to advise that in view of the great swing to seamfree hosiery and the decline in prices of full fashioned lines from other manufacturers it is no longer possible for us to absorb your production at current prices, as we are being undersold in similar lines by many department stores as well as our main opposition chain Coles.

For the past six months we have been offered 15 denier 60 gauge plain production at 48/6 doz. and 30 denier plain in the same style and pack at 56/6 doz.

Other lines are available from various manufacturers in 15 denier 51 and in some cases 60 gauge from 44/6 to 46/6 doz. in substantial quantities and only today we were offered 30 denier 51 gauge at 46/6 doz. from current production.

We feel sure you are fully aware of the position and will do all you can to meet this highly competitive situation. You will have no difficulty obtaining samples in various stores in Sydney which are selling mostly in plain packs at up to 2/- lower than our branded styles,

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and you can appreciate that if this position continues we will lose this business.

Yours faithfully,  
WOOLWORTHS LIMITED.

E. W. Cooper

E.W.COOPER.  
BUYER.

Plaintiffs  
Exhibits

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Exhibit "A"

Letter  
Woolworths  
Limited  
to  
Stirling  
Henry Ltd.  
13th October  
1961.  
(continued)

Plaintiffs  
Exhibits

Telephone  
B 0153

WOOLWORTHS LIMITED

GPO BOX 4068

Exhibit "A"

REG OFFICE  
80 MARKET STREET  
SYDNEY

Letter  
Woolworths  
Limited  
to  
Stirling  
Henry Ltd.  
13th October  
1961.

13th October, 1961.

10

Stirling Henry Ltd.,  
The Crescent,  
FLEMINGTON...N.S.W.

Attention Mr. Alex Wainberg.

Dear Sir,

HOSIERY CONTRACTS.

Further to our discussion earlier this week we confirm that we will place contracts with you for the following quantities.

20

REF.B.33 15 denier 60 gauge Fairyweb.  
Cost 50/- doz.pairs.  
Quantity 12,800 doz. to be drawn  
as required between now and 31st  
March, 1962.

In addition orders will be placed against contract No.6094 for 4000 doz. at 51/6 doz. pairs in this line instead of Famous Maker pack as originally intended. This contract to be completed before orders are placed against the new contract.

30

B.56 30 denier 51 gauge Captivation.

Cost 56/6 doz. pairs.  
Quantity 6000 doz. to be drawn as required  
between now and 31st March 1962.

B.29 15 denier 51 gauge Fairyweb Mesh.

Cost 59/3 doz.  
Quantity 2260 doz. pairs to be drawn as  
required between now and 31st March 1962.

b/fwd.

The balance not placed against contract No.6092 is to be considered cancelled.

H.W.15 15 denier Mediums.

Cost 40/- doz. pairs.

10 Quantity is any accruing from new contracts available for delivery between 1st January 1962 to 31st March 1962.

HW.45 30 denier Mediums.

Cost 42/- doz. pairs.

Quantity is any accruing from new contract available for delivery between 1st January 1962 to 31st March 1962.

HW.T.B.A. 15 denier Mesh Mediums.

20 Cost 44/- doz. pairs.

Quantity is any accruing from new contract available for delivery between 1st January 1962 to 31st March 1962.

30 Delivery terms agreed are F.I.S. each State, cartons included. It has been decided to agree to your request for cash terms to be altered from Nett 7 days to Nett 30 days rather than change to your normal terms for other lines of 2½% 30 days. This is quite contrary to the company's current policy and has been granted for the time being in view of the special circumstances concerning your hosiery plant and the excellent service you have given us. It will be necessary to review this at a later date.

Mr. Stopford will confer with the writer as to the best method of putting these new costs and terms into operation with the object of simplifying the invoicing and accounts procedure to our mutual advantage.

40 Contract No.6090 for B.33 and 6091 for B.56 are now completely covered by orders you are holding.

It is agreed that the position will be reviewed again on the 15th January 1962 to cover

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
Limited  
to  
Stirling  
Henry Ltd.  
(continued)  
13th October  
1961.

Plaintiffs  
Exhibits

b/fwd.

the period 1st April to 30th June 1962.

Exhibit "A"

Letter  
Woolworths  
Limited  
to  
Stirling  
Henry Ltd.  
(continued)  
13th October  
1961.

We wish to express our appreciation of your co-operation during our recent discussions and during the difficult period we have both been through over the past nine months.

Yours faithfully,  
WOOLWORTHS LIMITED.

10

E. W. Cooper

E.W.COOPER.  
BUYER.

457.

Plaintiffs  
Exhibits

Messrs. Woolworths Ltd.  
80, Market Street,  
SYDNEY.

16th October, 1961.

Attention Mr. E. W. Cooper.

Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
16th October  
1961.

10

Dear Sirs,

We confirm receipt of your letters of 13th inst. and note that the contents cover the details as agreed with your Mr. Cooper at our meeting on October 9th.

Yours faithfully,  
STIRLING HENRY LTD.

A. J. Stopford

MERCHANDISE MANAGER.

Exhibit "A"

Contract No. 6112, Woolworths Limited to Stirling Henry Limited  
20th October 1961.

Date 20/10/61

CONTRACT

Contract No. C/N 6112

SUPPLIER'S..... Copy

WOOLWORTHS LTD.

To STIRLING HENRY LTD.

80 MARKET STREET  
SYDNEY

The Crescent,  
FLEMINGTON

Terms Payable in:- NETT 30 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- FREE

Delivery as required:- Between 13th October 1961 and 31st March 1962

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
Ref.B33	12,800	doz.	Hosiery E/F Nylon 15 denier 60 gauge Fairyweb	50/-	dz. prs.			
E. W. Cooper			C. McFARLEY					
Buyer			Merchandise Mgr. or Merchandise Controller.			£		

## Exhibit "A"

Contract No. 6113, Woolworths  
Limited to Stirling Henry Ltd.  
20th October 1961

Date 20/10/61

CONTRACT

Contract No. C/N...6113

SUPPLIERS ..... Copy  
To STIRLING HENRY LTD.

WOOLWORTHS LTD.

The Crescent,  
FLEMINGTON,

80 MARKET STREET  
SYDNEY

Terms Payable in:- NETT 30 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- FREE

Delivery as required:- Between 13th October 1961 and 31st March 1962.

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
Ref.E56	6000	dz.prs.	Hosiery F/F Nylon 30 denier 51 gauge Captivation	56/6	dz. prs.			
E. W. Cooper Buyer			C. McFARLEY Merchandise Mgr. or Merchandise Controller.			£		



Exhibit "A"

Contract No. 6114, Woolworths Limited to Stirling Henry Ltd. 20th October 1961

Date ... 20/10/61 .....

CONTRACT

Contract No. C/N... 6114 .....

SUPPLIERS..... Copy  
To ..... STIRLING HENRY LTD.  
..... The Crescent,  
..... FLEMINGTON .....

WOOLWORTHS LTD.  
80 MARKET STREET  
SYDNEY

Terms Payable in:- NETT 30 days

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- FREE

Delivery as required:- Between 13th October 1961 and 31st March 1962

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
Ref.B29	2260	doz.	Hosiery F/F Nylon 15 denier 51 gauge Ladderless Mesh Fairyweb	59/3	dz. prs.			
			The balance not placed as at 10th October, 1961 against Contract No.6092 is to be considered cancelled.					
E.W.Cooper Buyer			C. McFARLEY Merchandise Mgr. or Merchandise Controller.			£		

Contract No. 6115, Woolworths  
Limited to Stirling Henry Ltd.  
20th October 1961

Date 20/10/61

CONTRACT

Contract No. C/N.....6115

SUPPLIERS..... Copy

WOOLWORTHS LTD.

To STIRLING HENRY LTD.

80 MARKET STREET  
SYDNEY

THE CRESCENT,

FLEMINGTON

Terms Payable in:- NETT 30 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- FREE

Delivery as required:-

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
REF.HW15			Hosiery F/F Nylon 15 denier Mediums	40/-	dz. prs.			
			QUANTITY IS ANY ACCRUING FROM NEW CONTRACT No.6112 AVAILABLE FOR DELIVERY BETWEEN 1st JANUARY 1962 and 31st MARCH 1962.					
E.w. Cooper		C. McFARLEY						
Buyer		Merchandise Mgr. or Merchandise Controller.				£		

Exhibit "A"

Contract No. 6116, Woolworths  
Limited to Stirling Henry Ltd.  
20th October 1961

Date 20/10/61

CONTRACT

Contract No. C/N. 6116

SUPPLIERS Copy  
To STIRLING HENRY LTD.  
The Crescent,  
FLEMINGTON

WOOLWORTHS LIMITED  
80 MARKET STREET  
SYDNEY

Terms Payable in:- NETT 30 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:-

FREE

Delivery as required:-

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the contract that goods are to be delivered within three months of the specified delivery date as shown on the said orders. In the event of goods not being delivered within the specified time, the Company reserves the right to cancel the undelivered portion of the said contract.
3. No contract valid unless signed by Merchandise Manager or Buying Manager.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
REF.HW45			HOSIERY F/F NYLON 30 DENIER MEDIUMS  QUANTITY IS ANY ACCRUING FROM NEW CONTRACT No.6113 AVAILABLE FOR DELIVERY BETWEEN 1st JANUARY 1962 and 31st MARCH 1962.	42/-	dz. prs.			
E.W.Cooper Buyer			C. McFARLEY Merchandise Mgr. or Buying Mgr.			£		

Contract No. 6117, Woolworths  
Limited to Stirling Henry Ltd.  
20th October 1961

Date ..... 20/10/61 .....	<b>CONTRACT</b>	Contract No. C/N.....6117.....
SUPPLIERS ..... Copy		<b>WOOLWORTHS LTD.</b>
To ..... STIRLING HENRY LTD.		80 MARKET STREET
..... The Crescent,		SYDNEY
..... FLEMINGTON		

Terms Payable in:- NETT 30 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- FREE

Delivery as required:-

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
Ref.HW217			HOSIERY F/F NYLON 15 DENIER LADDERLESS MESH MEDIUMS	44/-	dz. prs.			
			QUANTITY IS ANY ACCRUING FROM NEW CONTRACT No.6114 AVAILABLE FOR DELIVERY BETWEEN 1st JANUARY 1962 and 31st MARCH 1962.					
E.W.COOPER Buyer			C. McFARLEY Merchandise Mgr. or Merchandise Controller.			£		

Plaintiffs  
Exhibits

17th January, 1962

Exhibit "A"  
Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
17th January  
1962

Messrs. Woolworths Ltd.  
80, Market Street,  
SYDNEY, N.S.W.

Attention Mr. E. Cooper

Dear Sir,

We wish to confirm our telephone conversation  
on Monday 15th inst.

In our letter of 13th October 1961, it was  
arranged that the next meeting to cover Full  
Fashioned Hosiery Contracts for the period 1st  
April to 30th June would be held on 15th January,  
1962. As your Mr. Cooper is on holiday from 16th  
inst. it was arranged that this meeting should be  
held during first week of February and we will  
contact him on his return to arrange time and date.

10

Yours faithfully,

STIRLING HENRY LTD.

A.J. Stopford

Merchandise Manager

Bigola House,  
Bigola Beach

26. 1. 62

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
Limited  
to Stirling  
Henry Ltd.  
21st January  
1962

Stirling Henry Limited,  
The Crescent,  
Flemington

Attention Mr. A. J. Stopford

Dear Sirs,

Woolworths Hosiery Contracts

10

Further to our phone conversation on 15th  
January before the writer left on holidays  
on 16th, we suggest revision of the above, which  
were due on 15th January, be left until 15th  
February when more up to date figures will be  
available and the writer will be on duty once  
more.

Please accept our apologies for not  
writing before departing on 16th.

Yours faithfully,

20

E. W. Cooper  
Buyer

---

Plaintiffs  
Exhibits

1st March 1962

Letter  
Stirling  
Henry  
Ltd. to  
Woolworths  
Limited  
1st March  
1962

Messrs. Woolworths Ltd.,  
80, Market Street,  
SYDNEY,  
N.S.W.

Attention: Mr. E. Cooper

Dear Sirs,

We wish to confirm that according to the terms of our agreement a meeting was held on 21st February between your Mr. Cooper, Mr. A. Wainberg and the writer. The following Contract quantities for the period April to June, 1962 were mentioned by your Mr. Cooper:-

10

15 Denier	13,000 dozen.
30 Denier	6,000 dozen.
Mesh	1,000 dozen.

We subsequently advised by phone that over and above existing orders on hand we would be able to deliver these quantities by June 30th 1962.

20

In view of the fact that this meeting was overdue approximately two months we would appreciate receiving your Contracts covering the above quantities as soon as possible.

We would also draw to your attention that the next meeting for the purpose of the allocation of Contracts for the period July

to September, 1962 is due on approximately  
April 3rd 1962, and we would like confirmation  
of this date, if satisfactory to you.

Yours faithfully,  
STIRLING HENRY LTD.

A. J. Stopford

MERCHANDISE MANAGER

---

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Stirling  
Henry  
Ltd. to  
Woolworths  
Limited  
1st March  
1962  
(Continued)



Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
Limited to  
Stirling  
Henry Pty.  
Ltd.  
9th March  
1962

WOOLWORTHS LIMITED

80 Market Street,  
Sydney

EWC/JBH

9th March, 1962

Stirling Henry Pty. Ltd.,  
The Crescent,  
Flemington, N.S.W.

Attention Mr. A.J. Stopford

Dear Sir,

HOSIERY CONTRACTS

10

Thank you for your letter of the 1st instant and we enclose herewith the following contracts confirming our discussions of 21st February covering requirements for delivery between 1st April and 30th June 1962.

Contract No. 6165 - ref. B33 15 Den. 60 Gauge Fairyweb  
Cost 50/- dozen. Total 13,000  
dozen.

Contract No. 6166 - Ref. B.29 15 Den. 51 Gauge  
Fairyweb Mesh. 20  
Cost 59/3 dozen. Total 1,000  
dozen.

Contract No. 6167 - Ref. B56 30 Den. 51 Gauge  
Captivation. Cost 56/6  
dozen. Total 6,000 dozen.

Contract No. 6168 - Ref. HW15 15 Den. 60 Gauge  
Mediums. Cost 40/- dozen pair.  
Quantities accruing.

Contract No. 6169 - Ref. HW45 30 Den. 51 Gauge  
Mediums. Cost 42/- dozen 30  
pair. Quantities accruing.

Contract No. 6170 - Ref. HW217 15 Den. 51 Gauge  
Mesh Mediums. Cost 44/- dozen  
pair. Quantities accruing.

All orders placed after today will be against these contracts, which are additional to current orders held by you.

According to our calculations, the position regarding current contracts expiring on 31st March is as follows:- 40

<u>Your deliveries from</u>	B56 30 Den.	B33 15 Den.	B29 15 Den. Mesh
22/11/61 to 7/3/62	6,599	13,656	
18/10/61 to 7/3/62			2,400
Orders to be delivered up to 24/4/62	2,848	7,037	1,389
	9,447	20,693	3,789
<u>Contracts</u>			
6113 delivery 21/11/61 to 31/3/62	6,000		
6112 " 16/11/61 to 31/3/62		12,800	
6114 " 13/10/61 to 31/3/62			2,260
6094 " at 51/6		4,000	
Surplus to Contracts	3,447	3,893	1,529

Plaintiffs  
Exhibits  
Exhibit "A"  
Letter  
Woolworths  
Limited to  
Stirling  
Henry Pty.  
Ltd.  
9th March  
1962  
(Continued)

We are endorsing these contracts as being fully covered and feel sure you are pleased that we have exceeded the quantities contracted for and kept your mill working to maximum capacity. In fact at the moment some deliveries are behind due date and we will reduce quantities on our next orders to ensure that future delivery dates are well within your production rate.

Regarding prices, you will note that in spite of the lower market prices prevailing at present for 15 Den. 60 Gauge plain and 15 Den. 51 gauge mesh, we have agreed to Mr. Alex Wainberg's request to leave these unchanged for the duration of these contracts, in view of the fact that you have no other market for hosiery at present, and in consideration of the very difficult trading period we all experienced last year.

It is inevitable that prices will have to be discussed again in the future and we suggest you make some provision in your reserves against the day in the near future when you may have to accept the fair market price. This is in

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
Limited to  
Stirling  
Henry Pty.  
Ltd.

9th March  
1962

(Continued)

accordance with the agreement reached at the meeting of your Managing Director Mr. A. Wainberg and yourself with our Managing Director Mr. T. Kelly and the Merchandise Manager Mr. R. Fleming last July, when all aspects of your hosiery mill were discussed. This was confirmed by a letter written by our Merchandise Controller, Mr. J. Miller dated 1st August 1961.

These new contracts cover maximum production available from you to 30th June 1962.

10

Regarding the next meeting for determining contracts from July to September, the writer would prefer April 10th as our March figures will not be available until then. Kindly advise if this date is acceptable to you.

Yours faithfully,

WOOLWORTHS LIMITED

H.W. Cooper  
Buyer

20

---

## Exhibit "A"

Contract No. 6165, Woolworths  
Limited to Stirling Henry Pty.Ltd.  
9th February 1962

Date ..... 9/2/62 ..... CONTRACT Contract No. C/N..... 6165 .....

ORIGINAL ..... Copy

To STIRLING HENRY PTY. LTD.,

The Crescent,

Flemington, N.S.W.

WOOLWORTHS LTD.

80 MARKET STREET  
SYDNEY

Terms Payable in:- NETT 30 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- FREE

Delivery as required:- Between 1st April and 30th June 1962

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
REF.B33	13,000	Doz.	Hosiery F/F Nylon 15 Denier 60 gauge Fairyweb	50/-	dz. prs.			
E.W.COOPER			"Illegible"					
Buyer			Merchandise Mgr. or Merchandise Controller.			£		

Exhibit "A"

Contract No. 6166, Woolworths  
 Limited to Stirling Henry Ltd.  
 9th February 1962

Date 9/2/62

CONTRACT

Contract No. C/N 6166

ORIGINAL Copy  
 To STIRLING HENRY LTD.  
 The Crescent,  
 Flemington

WOOLWORTHS LTD.  
 80 MARKET STREET  
 SYDNEY

Terms Payable in:- NETT 30 days

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- FREE

Delivery as required:- Between 1st April and 30th June 1962

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
Ref.B29	1,000	doz.	Hosiery F/F Nylon 15 denier 51 gauge Ladderless Mesh Fairyweb	59/3	dz. prs.			
E.W.COOPER			'Illegible'					
Buyer			Merchandise Mgr. or Merchandise Controller.			£		

Contract No. 6167, Woolworths Limited to Stirling Henry Ltd. 9th February 1962

Date 9/2/62

CONTRACT

Contract No. C/N 6167

ORIGINAL ..... Copy  
 To STIRLING HENRY LTD.  
 The Crescent,  
 Flemington, N.S.W.

WOOLWORTHS LTD.  
 80 MARKET STREET  
 SYDNEY

Terms Payable in:- NETT 30 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- FREE

Delivery as required:- Between 1st April and 30th June 1962

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
Ref. 856	6,000	dz. prs.	Hosiery F/F Nylon 30 denier 51 gauge Captivation	56/6	dz. prs.			
E. W. COOPER Buyer			'Illegible' Merchandise Mgr. or Merchandise Controller.			£		

Exhibit "A"

Contract No. 6168, Woolworths  
 Limited to Stirling Henry Ltd.  
 9th February 1962

Date .... 9/2/62, .....

CONTRACT

Contract No. C/N.....6168.....

Original..... Copy

WOOLWORTHS LTD.

To STIRLING HENRY LTD.,  
 The Crescent,  
 Flemington, N.S.W.

80 MARKET STREET  
 SYDNEY

Terms Payable in:- NETT 30 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- FREE

Delivery as required:- Between 1st April and 30th June 1962

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
Ref.HW15			Hosiery F/F Nylon 15 Denier Mediums	40/-	dz. prs.			
			QUANTITY IS ANY ACCRUING FROM NEW CONTRACT No.6165 AVAILABLE FOR DELIVERY BETWEEN 1st APRIL and 30th JUNE 1962.					
E. W. COOPER Buyer			'Illegible' Merchandise Mgr. or Merchandise Controller.			£		

Contract No. 6169, Woolworths Limited to Stirling Henry Ltd. 9th February 1962

Date 9/2/62

CONTRACT

Contract No. C/N 6169

Original..... Copy  
 To STIRLING HENRY LTD.,  
 The Crescent,  
 Flemington, N.S.W.

WOOLWORTHS LTD.  
 80 MARKET STREET  
 SYDNEY

Terms Payable in:- NETT 30 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- FREE

Delivery as required:- Between 1st April and 30th June 1962.

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
Ref. HW45			Hosiery P/F Nylon 30 Denier Mediums	42/-	dz. prs.			
			QUANTITY IS ANY ACCRUING FROM NEW CONTRACT No. 6167 AVAILABLE FOR DELIVERY BETWEEN 1st APRIL and 30th JUNE 1962.					
E. S. COOPER Buyer			'Illegible' Merchandise Mgr. or Merchandise Controller.			£		



Exhibit "A"

Contract No. 6170, Woolworths Limited to Stirling Henry Ltd. 9th February 1962

Date ... 9/2/62 .....

CONTRACT

Contract No. C/N..... 6170 .....

ORIGINAL ..... Copy  
To STIRLING HENRY LTD.  
The Crescent,  
Flemington, N.S.W.

WOOLWORTHS LTD.  
80 MARKET STREET  
SYDNEY

Terms Payable in:- NETT 30 DAYS

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- FREE

Delivery as required:- Between 1st April and 30th June 1962.

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
Ref.HW217			Hosiery F/F Nylon 15 Denier Ladderless Mesh Mediums  Quantity is any accruing from new contract No. 6166 available for delivery between 1st April and 30th June 1962.	44/-	dz. prs.			
E. W. COOPER Buyer			'Illegible' Merchandise Mgr. or Merchandise Controller.			£		

13th March, 1962

Your ref: EWC/JBH

Messrs. Woolworths Ltd.  
80 Market Street,  
Sydney, N.S.W.

Attention Mr. E. Cooper

Dear Sirs,

Hosiery Contracts

Many thanks for your letter of 9th inst.  
enclosing Full Fashioned Hosiery Contracts for the  
10 period 1st April, 1962 to 30th June, 1962.

We confirm that the quantities on these con-  
tracts are additional to those on current orders  
held by us and that all orders placed after March  
9th, 1962 are to be considered as part of these  
contracts.

We are indeed pleased that your sales, as  
you mention, exceeded our production capacity but  
we never doubted your selling potential which must  
be considerably increased by the fruits of your  
20 constant expansions, and it certainly confirms  
our previous contentions.

As regards prices those charged by us have  
always been fair and equitable as shown in the  
following schedule for 15 Denier Fairyweb.

	<u>COST</u>	<u>SELLING</u>	<u>MARK-UP</u>
1956	79/-	8/11	35%
1957 (April)	76/-	8/11	40%
1957 (June)	71/-	7/11	34%
1958 (January)	67/6	7/11	40%
30 1958 (September)	63/6	7/11	49%
1959 (November)	60/-	6/11	38%
1961 (June)	56/6	6/11	47%
1961 (November)	50/-	6/11	66%
1962	50/-	5/11	42%

In conclusion, we agree that it will be better  
for the next meeting to determine Contracts from 1st  
July, 1962 to 30th September, 1962 to be held after  
your March figures are available and we confirm your  
suggestion for April 10th.

40

Yours faithfully,  
STIRLING HENRY LTD.  
A.J. Stopford  
MERCHANDISE MANAGER

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
13th March  
1962

Plaintiffs  
Exhibits

WOOLWORTHS LIMITED

80 Market Street,  
Sydney

Exhibit "A"

LWC/BJT.

3rd May 1962

Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
3rd May 1962

Stirling Henry Ltd.,  
The Crescent,  
FLEMINGTON, N.S.W.

Attention The Managing Director

Dear Sir,

HOSEY CONTRACTS - 1 JULY - 30 SEPTEMBER

Further to our recent discussion we are prepared to give you contracts for the following quantities to cover your production during this period, delivery as required, at the prices shown which will permit us to achieve our average budget mark up of 48% for each perfect quality line at our current selling prices.

10

In the case of 15 denier Mesh and Plain Perfects allowance has been made of the anticipated quantities we will need to purchase from other suppliers at current lower market prices in arriving at these prices.

20

B 29	15	den.	F/F Mesh	1500	doz.	Cost	66/6
B 33	15	"	" Plain	13000	"	"	48/6
B56	30	"	"	4500	"	"	56/-
HM 15	15	"	Plain Mediums	Quantities			
						accruing	40/- )
HM 45	30	"	"	"	"	"	42/- }*
HM 217	15	"	Mesh	"	"	"	44/- )
						*Unchanged.	

As we indicated to you our <sup>sales</sup> main opposition dropped the price of 15 denier Mesh Perfects from 7/11 to 7/6 pair and 15 denier Plain Perfects from 5/11 to 5/6 pair on 23rd March. If we decide to meet these prices we confirm your willingness to lower your costs immediately to permit us to maintain our mark up margin of 48%. So far they have not dropped the price of 30 denier from 6/11 pair, but the same will apply to this line if we have to drop the price.

30

Yours faithfully,  
WOOLWORTHS LIMITED  
E.W. COOPER  
Buyer

40

WOOLWORTHS LIMITED

80 Market Street,  
Sydney

EWC/JBH

16th May, 1962

Stirling Henry Ltd.,  
The Crescent,  
Flemington,  
N.S.W.

Plaintiffs  
Exhibits  
            
Exhibit "A"  
Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
16th May  
1962

Attention The Managing Director

10 Dear Sir,

Hosiery Contracts - 1st July - 30th  
September

Further to our letter dated 3rd May and subsequent discussion, we enclose herewith Contract No. 6197 for the quantities quoted therein.

The cost of 15 denier plain is 48/9 dozen as agreed not 48/6, otherwise all other costs are as quoted in our previous letter.

20

Yours faithfully,

WOOLWORTHS LIMITED

E. W. Cooper  
Buyer

Meeting July

Contract No. 6197, woolworths  
Limited to Stirling Henry Ltd.  
14th May 1962

Date 14th May, 1962

CONTRACT

Contract No. C/N...6197.....

..... Copy  
To STIRLING HENRY LTD.  
.....  
Flemington, N.S.W.  
.....

WOOLWORTHS LTD.  
  
80 MARKET STREET  
SYDNEY

Terms Payable in:- N30

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- FREE

Delivery as required:- To be drawn as required. This contract covers production within the period from 15th July, to 30th September, 1962.

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
1	1500	Dz.Prs.	Hosiery F/F Nylon 15 Den. Ladderless Mesh	66/6	Dz. Prs.			
2	13000	"	Hosiery F/F Nylon 15 Den. Plain	48/9	"			
3	4500	"	Hosiery F/F Nylon 30 Den. Plain	56/-	"			
4		"	Hosiery F/F Nylon 15 Den. Plain Mediums as occurring from productions	40/-	"			
5			Hosiery F/F Nylon 30 Den. Plain Mediums as occurring from productions	42/-	"			
6			Hosiery F/F Nylon 15 Den. Ladderless Mesh Mediums as occurring from Productions	44/-	"			
E. W. COOPER			C. McFARLEY					
Buyer			Merchandise Mgr. or Merchandise Controller.			£		

AJS/MRK

22nd May, 1962

Messrs. Woolworths, Ltd.  
80, Market Street,  
SYDNEY, N.S.W.

Attention: Mr. E. Cooper

Dear Sirs,

We wish to acknowledge receipt of your letter of 3rd May and also thank you for the Contracts attached to your letter of 16th May.

10

Whilst writing, we would draw to your attention that our next meeting is due early in July and we suggest that this be held on Thursday July 5th. Should this date not be suitable to you would you kindly advise an alternative one.

Yours faithfully,

STIRLING HENRY LTD.

A. J. Stopford

Merchandise Manager

---

Plaintiffs  
Exhibits  
Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
22nd May  
1962

Plaintiffs  
Exhibits

            
Exhibit "A"

Letter  
Woolworths  
Limited  
to  
Stirling  
Henry  
Ltd.  
24th May  
1962

WOOLWORTHS LIMITED

80 Market Street,  
Sydney

EWC/JBH

24th May, 1962

Stirling Henry Ltd.,  
The Crescent,  
Flemington,  
N.S.W.

Attention Mr. A.J. Stopford

Dear Sir,

10

Re: Hosiery Contracts

In reply to your letter of the 22nd May,  
Thursday July 5th would be quite convenient  
for our next meeting and the writer will  
contact you a few days beforehand to arrange a  
suitable time.

Yours faithfully,

WOOLWORTHS LIMITED

E. W. Cooper

Buyer

20

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WOOLWORTHS LIMITED

80, Market Street,  
SydneyPlaintiffs  
Exhibits

EWC/jbh

26th July 1962

Exhibit "A"

Stirling Henry Ltd.,  
The Crescent,  
Flemington, N.S.W.Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
26th July  
1962Attention Mr. A. J. Stopford

Dear Sir,

Hosiery Contract

10 Further to our recent meeting, we enclose  
herewith Contract No. 6208 covering requirements  
between 1st October and 31st December 1962,  
details as follows:-

	Item 1	1,500 Doz.	Prs. Hosiery F/F Nylon 15 Den. Ladderless Mesh @ 66/6 doz. prs.		
	2	12,000 "	Prs. Hosiery F/F Nylon 15 Den. Plain @ 48/9	"	"
20	3	5,000 "	Prs. Hosiery F/F Nylon 30 Den. Plain @ 56/-	"	"
	4		Hosiery F/F/Nylon 15 Den. Plain Mediums (Accruing from Production) @ 37/-	"	"
	5		Hosiery F/F Nylon 30 Den. Plain Mediums (Accruing from Production) @ 42/-	"	"
30	6		Hosiery F/F Nylon Ladderless Mesh Mediums (Accruing from Production) @ 44/-	"	"

We confirm that our next meeting to cover the  
period 1st January to 31st March 1963 will be held  
on Friday October 5th as agreed.

Yours faithfully,  
WOOLWORTHS LIMITED  
E.W.Cooper  
Buyer



Contract No. 6208, Woolworths  
Limited to Stirling Henry Ltd.  
18th July 1962

Date 18th July, 1962

CONTRACT

Contract No. C/N.....6208

..... Copy  
To STIRLING HENRY LTD.  
..... FLEMINGTON, N.S.W.  
.....

WOOLWORTHS LTD.

80 MARKET STREET  
SYDNEY

Terms Payable in:- N.30  
Prices Quoted are:- F.I.S.

Sales Tax:- EX Cases and Packing:- FREE

Delivery as required:- To be drawn as required from 1st October to 31st December 1962.

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
1	1500	Dz.Prs.	Hosiery F/F Nylon 15 Den. Ladderless Mesh.	66/6	Dz. Prs.			
2	12000	"	Hosiery F/F Nylon 15 Den. Plain	48/9	"			
3	5000	"	Hosiery F/F Nylon 30 Denier Plain	56/-	"			
4			Hosiery F/F Nylon 15 Den. Plain Mediums (Accruing from Production)	37/-	"			
5			Hosiery F/F Nylon 30 Den. Plain Mediums (Accruing from Production)	42/-	"			
6			Hosiery F/F Nylon Ladderless Mesh Mediums (Accruing from Production)	44/-	"			
E. W. COOPER Buyer			C. McFARLEY Merchandise Mgr. or Merchandise Controller.			£		

WOOLBRIS WAREHOUSE

South Pine Road,  
Everton Park,  
Q'ld.

RL/NG

11/9/62

Stirling Henry Ltd.,  
The Crescent,  
FLEMINGTON, N.S.W.

HOSIERY F/F NYLON 15 DENIER FAIRYWEB (33)

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
(Q'land)  
Limited to  
Stirling  
Henry Ltd.  
11th  
September  
1962

10 Dear Sir,

Due to increased drawings on this line  
your urgent attention to the following would be  
appreciated.

O/NO. 30946 "At once".

Also, please bring forward to "At Once"  
delivery O/No. 29379 now due 25/9 - 9/10 and if  
possible O/No. 30946.

We await your further advice.

Yours faithfully,

20

WOOLWORTHS (QLD) LTD.

R. Lynch

Departmental Ordering Manager

Copy typed for Mr. Jarvis 13/9/62.

-----

Plaintiffs  
Exhibits

9th October, 1962

Exhibit "A"

AJS/MRK

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
9th October  
1962

Messrs. Woolworths Ltd.,  
80, Market Street,  
SYDNEY, N.S.W.

Attention Mr. E. W. Cooper

Dear Sirs,

We wish to confirm alteration in the  
appointment, from Friday 5th October to Friday  
12th October, for the finalising of Hosiery  
Contracts for the period January/March, 1963.

10

Yours faithfully,

STIRLING HENRY LTD.

A. J. Stopford

MERCHANDISE MANAGER

---

WOOLWORTHS LIMITED

80, Market Street,  
SydneyPlaintiffs  
Exhibits

EWC/JD

2nd November 1962

Exhibit "A"Stirling Henry Ltd.  
The Crescent,  
FLEMINGTON, N.S.W.Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
2nd November  
1962

Dear Sirs,

Attention Mr. A.J. Stopford

10

Re: HOSIERY CONTRACT

Further to our recent meeting, we enclose herewith Contract No. C/N 6223 covering production within the period from 1st January 1963 to 31st March 1963, delivery as required. Details are as follows:-

	<u>Item</u>	<u>Qty.</u>	<u>Unit</u>	<u>Description</u>	<u>Price</u>	<u>Per</u>
20	1	1500	Dz. Prs.	Hosiery F/F Nylon 15 Den. 51 Gauge Ladderless Mesh Fairyweb.	66/6	Dz. Prs.
	2	11000	"	Hosiery F/F Nylon 15 Den. 60 Gauge, Fairyweb 60.	46/6	"
	3	4000	"	Hosiery F/F Nylon 30 Den. Captivation M/No. 51	56/-	"
	4	Accruing	"	Hosiery F/F Nylon 15 Den. Plain Mediums	37/-	"
30	5	Accruing	"	Hosiery F/F Nylon 30 Den. Mediums	42/-	"
	6	Accruing	"	Hosiery F/F Nylon 15 Den. Mesh Mediums	44/-	"

If convenient for you, we suggest our next meeting be on Wednesday 16th January, to discuss a further contract covering the period 1st April to 30th June 1963.

Kindly confirm in due course.

40

Yours faithfully,  
WOOLWORTHS LIMITED  
E.W. Cooper  
Buyer

Exhibit "A"

Contract No. 6223, Woolworths Limited to Stirling Henry Ltd. 1st November 1962

Date 1st November 1962

CONTRACT

Contract No. C/N 6223

Copy  
To STIRLING HENRY LTD.  
FLEMINGTON, N.S.W.

WOOLWORTHS LTD.

80 MARKET STREET  
SYDNEY

Terms Payable in:- N.30

Prices Quoted are:- F.I.S.

Sales Tax:- EX

Cases and Packing:- FREE

Delivery as required:- This Contract covers production within the period 1st JAN. 1963 - 31st MARCH 1963

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
1	1500	Dz. Prs.	Hosiery F/F Nylon 15 Den. 51 Gauge Ladderless Mesh Fairyweb	66/6	Dz. Prs.			
2	11000	"	Hosiery F/F Nylon 15 Den. 60 Gauge, Fairyweb 60	46/6	"			
3	4000	"	Hosiery F/F Nylon 30 Den. Captivation by No.51	56/-	"			
4	Accruing	"	Hosiery F/F Nylon 15 Den. Plain Mediums	37/-	"			
5	Accruing	"	Hosiery F/F Nylon 30 Den. Mediums	42/-	"			
6	Accruing	"	Hosiery F/F Nylon 15 Den. Mesh Mediums	44/-	"			
E. W. COOPER			'Illegible'					
Buyer			Merchandise Mgr. or Merchandise Controller.			£		

COPY

AJS/LRK.

7th March, 1963

Messrs. Woolworths Ltd.  
80, Market Street,  
SYDNEY, N.S.W.

Attention: Mr. E. Cooper

Dear Sirs,

Plaintiffs  
Exhibits

—  
Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
7th March  
1963

10 We wish to confirm the discussions held  
between your Mr. Cooper and writer on 13th  
February with reference to Contracts for Fully-  
Fashioned Hosiery for the period April to June,  
1963.

Quantities arranged were:-

15 Denier "Fairyweb"	12,000 dozen
30 Denier "Captivation"	4,000 dozen
Mesh	1,500 dozen

The Cash Discount on these Contracts to be  
altered to 2½% 30 days and to commence on  
deliveries on and after 1st April, 1963.

20 We will be pleased to receive these  
Contracts at the earliest possible moment.

The next meeting to arrange Contracts for  
July to September will be held between 8th and  
12th April, on a day to be arranged.

Yours faithfully,

STIRLING HENRY LTD.

A.J. Stopford

MERCHANDISE MANAGER

c.c. Mr. A. Wainberg

Plaintiffs  
Exhibits

WOOLWORTHS LIMITED

80, Market Street,  
Sydney

Exhibit "A"

EWC/MNF

March 12, 1963

Letter

Woolworths  
Limited to  
Stirling  
Henry Ltd.  
12th March  
1963

Stirling Henry Ltd.,  
The Crescent,  
FLEMINGTON, N.S.W.

Attention: Mr. G.J. Stopford

Dear Sir,

In reply to your letter dated 7th March we have pleasure in enclosing Contract No. 6251 confirming quantities agreed to at our meeting on 12th February covering production within the period 1st April to 30th June, 1963 delivery as required.

10

<u>Item</u>	<u>Qty.</u>	<u>Unit</u>	<u>Description</u>	<u>Price per dozen prs.</u>		
1	1500	Dz. Prs.	Hosiery F/F Nylon 15 Den. 51 Gauge, Ladderless Mesh, Fairyweb	66/6	20	
2	12000	"	"	Hosiery F/F Nylon 15 Den. 60 Gauge, Fairyweb	46/6	
3	4000	"	"	Hosiery F/F Nylon 30 Den. Captivation	56/-	
4	Accruing	"	"	Hosiery F/F Nylon 15 Den. Plain Mediums	37/-	30
5	Accruing	"	"	Hosiery F/F Nylon 30 Den. Mediums	42/-	
6	Accruing	"	"	Hosiery F/F Nylon 15 Den. Mesh Mediums.	44/-	

New cash terms of ~~2½%~~ 30 days will operate on all deliveries on and after 1st April.

As far as we know, some date to be arranged between 8th and 12th April will be suitable to the writer for our next meeting.

Yours faithfully,

WOOLWORTHS LIMITED

E. W. COOPER  
BUYING MANAGER

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
Limited  
to  
Stirling  
Henry Ltd.  
12th March  
1963  
(Continued)

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Exhibit "A"

Contract No. 6251, Woolworths Limited to Stirling Henry Ltd. 11th March 1963

Date 11th March 1963

CONTRACT

Contract No. C/N. 6251

Copy  
To STIRLING HENRY LTD.  
THE CRESCENT,  
FLEMINGTON, N.S.W.

WOOLWORTHS LTD.  
80 MARKET STREET  
SYDNEY

Terms Payable in:- 2<sup>1/2</sup> 30, Effective 1st April, 1963

Prices Quoted are:- F.I.S.

Sales Tax:- EX

Cases and Packing:- FREE

Delivery as required:- Contract Quantities cover Production within the Period 1/4/63 - 30/6/63.

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
1	1500	Dz.Prs.	Hosiery F/F Nylon 15 Den. 51 Gauge, Ladderless Mesh, Fairyweb	66/6	Dz. Prs.			
2	12000	"	Hosiery F/F Nylon 15 Den. 60 Gauge, Fairyweb	46/6	"			
3	4000	"	Hosiery F/F Nylon 30 Den. Captivation	56/-	"			
4	Accruing	"	Hosiery F/F Nylon 15 Den. Plain Mediums	37/-	"			
5	Accruing	"	Hosiery F/F Nylon 30 Den. Mediums	42/-	"			
6	Accruing	"	Hosiery F/F Nylon 15 Den. Mesh Mediums.	44/-	"			
E.W.COOPER			'Illegible'					
Buyer			Merchandise Mgr. or Merchandise Controller.	£				

WOOLWORTHS LIMITED

80, Market Street,  
SydneyPlaintiffs  
Exhibits

May 1, 1963

Stirling Henry Ltd.,  
The Crescent,  
FLEMINGTON, N.S.W.Attention: Mr. A. J. StopfordExhibit "A"Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
1st May 1963

Dear Sir,

10 Further to our recent meeting we enclose  
herewith our Contract No. 6255 confirming  
quantities covering production within the period  
1st July to 30th September, 1963 delivery as  
required.

Item	Qty.	Doz.	Prs.	Description	Price per Doz. Prs.
1	1500			Hosiery F/F Nylon 15 Den. 51 Gauge Ladderless Mesh Fairyweb.	66/6. Subject to immediate review if Woolworths forced to meet competition at lower selling price than 7/11 pr.
2	12000			Hosiery F/F Nylon 15 Den. 60 Gauge Fairyweb.	46/6
3	4000			Hosiery F/F Nylon 30 Den. Fairyweb	56/-
4	Accruing			Hosiery F/F Nylon 15 Den. Plain Mediums	37/-
5	Accruing			Hosiery F/F Nylon 30 Den. Mediums.	42/-
6	Accruing			Hosiery F/F Nylon 15 Den. Mesh Mediums.	44/-

20  
30  
It is agreed that we meet again during the  
second week in July to discuss requirements for the  
period 1st October to 31st December, 1963.

Yours faithfully,  
WOOLWORTHS LIMITED  
E.W. Cooper  
BUYER MANAGER

Exhibit "A"

Contract No. 6255, Woolworths Limited to Stirling Henry Ltd. 30th April 1963

6255

Date 30th April, 1963

CONTRACT

Contract No. C/N.....

Copy  
To STIRLING HENRY LTD.  
THE CRESCENT,  
FLEMINGTON, N.S.W.

WOOLWORTHS LTD.  
80 MARKET STREET  
SYDNEY

Terms Payable in:- 2 1/2% 30

Prices Quoted are:- F.I.S.

Sales Tax:- EX

Cases and Packing:- FREE

Delivery as required:- Contract Quantities cover Production within the Period 1/7/63 - 30/9/63.

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
1	1500	Dz.Prs.	Hosiery F/F Nylon 15 Den. 51 Gauge Ladderless Mesh Fairyweb	66/6	Dz.			
2	12000	"	Hosiery F/F Nylon 15 Den. 60 Gauge Fairyweb	46/6	"			
3	4000	"	Hosiery F/F Nylon 30 Den. Fairyweb	56/-	"			
4	Accruing	"	Hosiery F/F Nylon 15 Den. Plain Mediums	37/-	"			
5	Accruing	"	Hosiery F/F Nylon 30 Den. Mediums	42/-	"			
6	Accruing	"	Hosiery F/F Nylon 15 Den. Mesh Mediums	44/-	"			
			<p><u>PRICE ITEM 1:</u> Subject to immediate review if Woolworths forced to meet competition at lower selling price than 7/11 Pr.</p>					
E. W. COOPER			'Illegible'					
Buyer			Merchandise Mgr. or Merchandise Controller.			£		

1st August, 1963

LTC/PJO

Woolworths Ltd.,  
80 Market Street,  
SYDNEY, N.S.W.

Attention Mr. G. Millist

Dear Sirs,

10 The attached sheet, which is self explanatory,  
is forwarded for your information. It sets out  
the cost, selling and gross profit position from  
the commencement of our Hosiery arrangement with  
you until the present date.

Yours faithfully,

STIRLING HENRY LIMITED

A. Stopford

Merchandise Manager

---

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
1st August  
1963

Plaintiffs Exhibits	WOOLWORTHS HOSIERY			1st August, 1963			
	<u>15 Denier</u>			<u>30 Denier</u>			
Exhibit "A"	Cost	Selling	Gross Profit	Cost	Selling	Gross Profit	
Schedule of Cost, selling price and gross profit 1st August 1963	1956	79/-	8/11	35%	71/-	7/11	34%
	1957 (Apl.)	70/-	8/11	40%	68/6	7/11	39%
	1957 (June)	71/-	7/11	34%			
	1958 (Jan.)	67/6	7/11	40%	67/6	7/11	40%
	1958 (Sept.)	63/6	7/11	49%	65/6	7/11	49%
		63/6	6/11	30%	63/6	7/11	49%
	1959 (Mar.)	62/6	6/11	33%	62/6	6/11	33%
	1959 (Nov.)	60/-	6/11	38%	60/-	6/11	38%
	1961 (June)	56/6	6/11	47%	60/-	6/11	38%
	1961 (Nov.)	50/-	6/11	66%	56/6	6/11	47%
	1962 (Feb.)	50/-	5/11	42%	56/6	6/11	47%
	1962 (Jly.)	48/9	5/11	46%	56/-	6/11	48%
	1963 (Jan.)	46/6	5/6	42%	56/-	6/11	48%

Proposed Alterations from 1/10/63 as suggested by you

1963 (Oct.)	44/-	5/6	50%	56/-	6/11	48%
-------------	------	-----	-----	------	------	-----

	<u>Mesh</u>	<u>Cost</u>	<u>Selling</u>	<u>Gross Profit</u>
1961 (june)		59/3	7/11	60%
1961 (Nov.)		59/3	7/11	60%
1962 (Feb.)		59/3	7/11	60%
1962 (July)		66/6	7/11	43%
1963 (Jan.)		66/6	7/11	43%

Proposed Alterations from 1/10/63 as suggested by you

1963 (Oct.)	63/6	7/11	50%
-------------	------	------	-----

As well as the above we were offered, and had no alternative but to accept, 3 Parcels of 15 Denier hosiery at very low prices viz: June 1961 3,000 doz. Celebration @ 51/6, regular price at that date being 56/6. July 1961 4,000 dozen Famous Maker @ 44/-, regular price at that date being 56/6 and June 1963 1,700 dozen @ 41/-, regular price at that date being 46/6.

The original arrangement was "Cartons were chargeable. Payment Nett 7 days" This has gradually been changed and today:- "Cartons are free - Payment 2% 30 days."

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STIRLING HENRY LIMITED  
 DETAILS OF CONTRACTS PLACED, ADJUSTMENTS TO PRICES AND CASH TERMS ETC. SINCE  
 DISCUSSION BETWEEN MR. KELLY, MR. FLEMING OF WOOLWORTHS AND MR. WAINBERG &  
 MR. STOPFORD OF STIRLING HENRY HELD IN EARLY JULY, 1961

Plaintiffs Exhibits  
 Exhibit "A"  
 Schedule of Contracts  
 placed and adjust-  
 ments to prices and  
 cash items etc. since  
 early July 1961 2nd  
 August 1963

LETTER DATED	CONTRACT PERIOD	CASH TERMS	30/51 PERFECTS QTY. PRICE	15/60 PERFECTS QTY. PRICE	15/51 MESH PERFECTS QTY. PRICE	30/51 MEDIUMS PRICE	15/60 MEDIUMS PRICE	15/60 MESH MEDIUMS PRICE
13/10/61	13/10/61 to 31/3/62 Previously	N.30 N.7.	6000 56/6	12800 50/-	2260 59/3	42/-	40/-	44/-
9/3/62	1/4/62 to 30/6/62		6000 56/6	13000 50/-	1000 59/3	42/-	40/-	40/-
3/5/62	1/7/62 to 30/9/62	N.30	4500 56/-	13000 48/9	1500 66/6	42/-	40/-	44/-
26/7/62	1/10/62 to 31/12/62	N.30	5000 56/-	12000 48/9	1500 66/6	42/-	37/-	44/-
2/11/62	1/1/63 to 31/3/63	N.30	4000 56/-	11000 46/6	1500 66/6	42/-	37/-	44/-
9/3/63	1/4/63 to 30/6/63	2 $\frac{1}{2}$ -30	4000 56/-	12000 46/6	1500 66/6	42/-	37/-	44/-
1/4/63	1/7/63 to 30/9/63	2 $\frac{1}{2}$ -30	4000 56/-	12000 46/6	1500 66/6	42/-	37/-	44/-

12th August, 1963

Plaintiffs  
Exhibits

AJS/MRK

Messrs. Woolworths Ltd.  
80 Market Street,  
SYDNEY

Attention Mr. E. Cooper

-----  
Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
12th August  
1965

Dear Sirs,

10 Referring to quarterly meeting between Mr.  
Cooper and the writer held on 24th July, 1963,  
quantities were arranged for Hosiery Contracts  
for the period October/December, 1963.

We wish to draw to your attention that these  
have not as yet reached us and look forward to  
receiving them as soon as possible.

We would also suggest that our next meeting  
should take place first week in October.

Kindly confirm.

Yours faithfully,

STIRLING HENRY LTD.

20

A. J. Stopford

MERCHANDISE MANAGER.

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Plaintiffs  
Exhibits

WOOLWORTHS LIMITED

80 Market Street,  
Sydney

Exhibit "A"

13th August, 1963

Letter  
Woolworths  
Limited  
to  
Stirling  
Henry Ltd.  
13th August  
1963

Mr. A. Wainberg,  
Managing Director,  
Stirling Henry Limited,  
The Crescent,  
FLEMINGTON, N.S.W.

Dear Mr. Wainberg,

With reference to our discussion, held yesterday, regarding Fully Fashioned Hosiery, this letter will set out in brief detail the propositions put to you by the writer and Mr. Cooper, for the basis for future conduct of our purchases of Fully Fashioned Hosiery from Stirling Henry Limited.

10

We referred to the arrangements made at a meeting held in July, 1961, between yourself and our Managing Director, the details of which were as follows:-

20

1. In Fully Fashioned Women's Hosiery we would draw 75% of our requirements from Stirling Henry at market prices.
2. If 75% of our requirements fall below 50,000 dozen, the percentage of purchases to rise to ensure that they receive not less than 50,000 dozen.
3. In the event of our total requirements falling below 50,000 dozen, this would be the quantity then purchased from them.
4. A contract should be placed for six months' requirements; price to be firm for six months but quantities to be reviewed each three months, giving them a six months cover at any one time.
5. We would give this Company the opportunity of quoting special prices for the 25% requirements referred to earlier.
6. Stirling Henry would have the right to sell on the open market and not confine their production to us.

30

40



We have advised you that we wish to operate on this basis and that our assessment of the current market price of Hosiery being supplied by you was -

<u>Construction</u>	<u>Current Market Price</u>
15 Denier 60 Gauge	41/-
30 " 51 "	48/-
15 " 51 " Mesh	48/-

10

In view of the fact that you intimated that in your opinion such prices were unreasonable, we put the proposition to you that if you would be prepared to supply either us, or if you prefer our Auditors with an Audited Statement showing that our transactions over the last two to three years had been uneconomical, and that future supply at the prices indicated would be unprofitable, we would undertake to review the position to ascertain what action should be taken.

20

Verbally you refused these offers and we would, therefore, appreciate your advising us in writing your reactions to our proposals.

Yours faithfully,

WOOLWORTHS LIMITED

R. G. Millist

Merchandise Manager Softgoods

Plaintiffs  
Exhibits

-----  
Exhibit "A"

Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
13th August  
1963  
(Continued)

Plaintiffs  
Exhibits  
—  
Exhibit "A"  
Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
19th August  
1963

AW:PJO

19th August 1963

Mr. R. G. Millist,  
Merchandise Manager,  
Woolworths Limited,  
Box 4068 G.P.O.  
SYDNEY, N.S.W.

Dear Mr. Millist,

Referring to your letter of 13th instant, we do not see any purpose in going into details of our general agreement. The question of quantities does not arise as besides absorbing our output you have purchased considerable quantities of Fully Fashioned Hosiery from other suppliers.

10

The present problem is that of prices and what is to be paid for the various styles manufactured by us. In this respect the position, when the original agreement was made, was clearly understood by both parties, it was intended that the business should be mutually profitable and the prices were set to allow certain profit margins (accepted as reasonable) to both parties.

20

There is, of course, no "Marker" in the technical sense in this business, since all sales and purchases are made by direct negotiation between buyer and seller and the final price is affected by a whole variety of factors special to the manufacturer and his purchaser. Market price as used in your letter can only mean the reasonable price which will allow a fair profit margin to both parties.

30

Continuous pressure has been put on us from time to time, but particularly since the beginning of 1961, to reduce our prices bringing our margins down and increasing your gross. Unfortunately we were unable to do much about it as we were precluded, by our agreement, from seeking outside customers. When you suggested in 1961, during the credit squeeze, that we could sell elsewhere, you must have realised that these were only empty words, as the trade generally, knowing all the circumstances, would not be

40

prepared to purchase hosiery from us. What seems to have happened is that you have increased your Nett Profit at our expense.

Your Mr. Cooper on 24/7/63 at our usual Quarterly Meeting suggested the prices to be operative from the 1st October should be:-

15 Denier	60 gauge	44/-
30 Denier	51 gauge	56/-
15 Denier	51 gauge	63/6
	Mesh	

10

In your letter of 13th instant you advise us that current market prices:-

15 Denier	60 gauge	41/-
30 Denier	51 gauge	48/-
15 Denier	51 gauge	
	mesh	48/-

We consider that these are distressed prices and not market prices.

20

It is true that owing to imports the market is full of goods and manufacturers compete strongly for business. Other manufacturers are in the advantageous position on account of their wide-spread distribution of being able to average their selling prices to maintain a reasonable rate of profit.

Unfortunately, due to our agreement, we have only one customer as we make exclusively for you and so are not in a position to average.

You are also in the strong position on account of being assured of regular supplies from our Mill which makes exclusively for you of being able to bargain with other manufacturers when they offer you their surplus production. On account of their knowledge of this position they know it is necessary to offer goods at ridiculous prices to secure orders from you and if possible remove one of their strongest opposition.

40

At the commencement of our agreement in 1956 we supplied to you two lines of F.F. Hosiery, showing you an average gross profit of approximately

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
19th August  
1963  
(Continued)

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
19th August  
1963  
(Continued)

25%. These prices were arranged by you and we were advised of them before we committed ourselves for Plant and Building, and were calculated by you to give you the Gross Profit rate you required.

Since then prices have been gradually reduced at your request to the present figures giving you an increased average Gross Profit of approximately 45%. In addition we have been forced to make you several concessions in packaging, cartons, terms and discounts, all of which helped to considerably decrease our margin and increase yours. 10

Now if your suggestion for prices is adopted your average Gross Profit will be approximately 70%.

Referring to your suggestion of us supplying you with an Audited Statement of our Hosiery Section, we are most surprised that you should ask us to do this. We should have thought that after our long association you could have accepted our statement when we tell you what is the lowest reasonable price at which we can sell. 20

We can assure you that the existing prices have reduced our profit rate to a level very much below what was originally agreed to, and leaves us such a small margin that any further reduction would make the business unprofitable.

We are sure that after perusing this letter you will realise the difficult position in which we are placed and will show consideration in hard times to one of your original suppliers and friends and hope we may look forward to a continuance of the good relationship which has existed between our two Companies for many years. 30

Yours faithfully,

STIRLING HENRY LIMITED

A. WAINBERG  
MANAGING DIRECTOR

WOOLBRIS WAREHOUSE

South Pine Road,  
Everton Park,  
Q'ld.

Stirling Henry Pty. Ltd.,  
The Crescent,  
FLEMINGTON, N.S.W.

Plaintiffs  
Exhibits  
-----  
Exhibit "A"  
Letter  
Woolbris  
Warehouse  
to  
Stirling  
Henry Ltd.  
23rd August  
1963

Dear Sirs,

The following orders are not yet due for  
10 delivery, but should you wish to deliver this  
stock at once you may do so, as, it will assist  
us greatly with our stock position.

Ref. 33 Hosiery F/F 15 Denier Fairyweb - O/No.  
127921 Due 27/8 - 10/9  
Ref. 33 Hosiery F/F 15 Denier Fairyweb - O/No.  
127921 Due 20/8 - 3/9  
Ref. 29 Hosiery 15 Denier Nylon Ladderless Mesh  
130921 - 27/8 - 10/9  
20 Ref. 56 Hosiery 30 Den. Nylon F/F Captivation  
O/No. 125921 Due 27/8 - 10/9

Yours faithfully,

WOOLBRIS WAREHOUSE

D. McQuitty

Ordering Manager.

Copy typed for Mr. Jarvis 26/8/63.

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
Limited  
to  
Stirling  
Henry Ltd.  
29th August  
1963

WOOLWORTHS LIMITED

EWC/MNF

Stirling Henry Ltd.,  
The Crescent,  
FLEMINGTON, N.S.W.

80, Market Street,  
Sydney

August 29, 1963

Attention: Mr. Alex Wainberg

Dear Sir,

In accordance with the decisions made at the Meeting held on 28th August at the above address between yourself, Mr. Stopford, our Managing Director, Mr. T. Kelly and Merchandise Manager, Softgoods, Mr. G. Millist, we enclose contract No. 6280 confirming prices and quantities covering production within the period 1st October to 31st December, 1963, delivery as required. Details are:

<u>Item</u>	<u>Qty.</u>	<u>Doz.</u>	<u>Prs.</u>	<u>Description</u>	<u>Price per dozen prs.</u>	
1	1500			Hosiery F/F Nylon 15 Den. 51 Gauge Ladderless Mesh. Fairyweb	63/6	10
2	12,000			Hosiery F/F Nylon 15 Denier 60 Gauge Fairyweb	44/-	
3	4,000			Hosiery F/F Nylon 30 Denier Fairyweb	56/-	
4.	Accruing			Hosiery F/F Nylon 15 Denier Plain Mediums	37/-	
5	Accruing			Hosiery F/F Nylon 30 denier Mediums	42/-	30
6	Accruing			Hosiery F/F Nylon 15 Denier Mesh Mediums	44/-	

These prices apply to deliveries against this contract until 31st December, 1963. Any deliveries on and after 1st January, 1964 to be at prices in accordance with the arrangement to be finalised as discussed at the above mentioned meeting.

Yours faithfully,  
WOOLWORTHS LIMITED  
E.W. Cooper  
Buying Manager

40

Date <u>29/8/63</u>	<b>CONTRACT</b>	Contract No. C/N <u>6280</u>
..... ORIGINAL ..... Copy		<b>WOOLWORTHS LTD.</b>
To <u>STIRLING HENRY LTD.</u>		80 MARKET STREET
<u>THE CRESCENT</u>		SYDNEY
<u>FLEMINGTON, N.S.W.</u>		

Terms Payable in:-  $2\frac{1}{2}\%$  - 30 days

Prices Quoted are:- F.I.S.

Sales Tax:- EXEMPT

Cases and Packing:- FREE

Delivery as required:- Covers production for period 1st October, 1963 to 31st December, 1963

Conditions of Contract.

1. Separate orders will be placed against this contract.
2. It is a condition of the Contract that goods are to be delivered on the specified delivery date as shown on the said orders. In the event of goods not being delivered on the specified date, the Company reserves the right to re-negotiate the contract and to vary quantities or cancel balances as circumstances demand.
3. No contract valid unless signed by Merchandise Manager, or Merchandise Controller.

Please supply in good order and condition:-

Item	Qty.	Unit	DESCRIPTION OF GOODS	Price	Per	£	s.	d.
1	1500	Dz.Prs.	Hosiery F/F Nylon 15 Denier 51 Gauge Ladderless Mesh Fairyweb	63/6	Doz. Prs.			
2	2000	"	Hosiery F/F Nylon 15 Denier 60 Gauge Fairyweb	44/-				
3	4000	"	Hosiery F/F Nylon 20 Denier 51 Gauge Fairyweb	56/-				
4	Accruing		Hosiery F/F Nylon 15 Denier Plain Mediums	37/-				
5	Accruing		Hosiery F/F Nylon 30 Denier Mediums	42/-				
6	Accruing		Hosiery F/F Nylon 15 Denier Mesh Mediums	44/-				
			These prices apply to deliveries against this Contract until 31st December, 1963. Any deliveries on and after 1st January, 1964 to be at prices in accordance with the arrangements to be finalised as discussed at the meeting held at Woolworths Head Office on 28th August, 1963.					
E. W. COOPER								
Buyer			Merchandise Mgr. or Merchandise Controller.			£		

Plaintiffs  
Exhibits

Walmsley Cowley & Co.

Bank of New Zealand  
Chambers,  
6, Wynyard Street,  
Sydney

Exhibit "A"

6th November, 1963

Letter  
Walmsley  
Cowley & Co.  
to  
Woolworths  
Limited  
6th November  
1963

The Managing Director,  
Woolworths Limited,  
80 Market Street,  
SYDNEY, N.S.W.

Dear Sir,

10

re; Stirling Henry Limited

As arranged at the conference on the 2nd October last attended by representatives of the above Company, Mr. Cotter of Priestly & Morris, their Auditors, and Mr. Withycombe of this firm, we have now had an opportunity of reviewing hosiery costing schedules submitted to us by Stirling Henry Limited through Messrs. Priestly & Morris after appropriate checking and testing.

Beyond the point where actual material, labour and major expense items are used, we understand that Stirling Henry Limited utilise absorption costing methods as the basis of apportionment of overheads and expenses between the various divisions or sections of the Company's activities. The schedules submitted to us for examination were prepared under this method using as a basis of apportionment direct labour costs.

20

From Woolworths Limited's point of view in regard to Hosiery production, it is obvious that an inherent weakness exists in that any variation in output in other sections has a bearing on apportionments to the Hosiery Mill. Thus, in the event of constant hosiery production and reduced output elsewhere, then expenses costed into hosiery would rise as this section's output became the greater proportion of the whole.

30

The attached schedule sets out in brief summary form the information conveyed to us in the various detailed schedules submitted. In preparing the schedule, we have accepted the monetary amounts produced by the method of apportionment referred to

40



above, but have regrouped the details in an endeavour to approach the problem on direct costing lines whereby a pricing is established prior to any component being added in as a contribution to profits, or the general overheads of Stirling Henry Limited which would continue without variation, irrespective of hosiery production.

10 The pricings referenced "A" are our estimate of the breakeven point on this direct costing approach. In view of the utilisation of apportioned as against actual expenses included in the details submitted to us, certain individual items could probably be questioned as to the quantum applying to the Hosiery Mill or in regard to our grouping of overheads. For example, Selling and Distribution, Wages and Salaries figures are included in the costing  
20 referenced "A" in total although this probably represents an overcharge to hosiery on an actual basis, but to compensate, administrative salaries are excluded entirely and treated as general overhead. It is, therefore, our opinion that in general terms, the costing referenced "A" presents a fair approximation of the position at this point.

30 The next series of prices referenced "B" are as submitted by Stirling Henry Limited in respect of the year ended 30th June, 1963 with general overhead covered, but no profit element included.

Additional costing statements for the four lines of hosiery have been submitted to us for examination, these having been prepared by the Company's Cost Accountant with inclusion of a profit margin of 10% on selling prices, utilising -

- 40 (i) The average cost of yarn for the year ended 30th June, 1963;
- (ii) The ruling price of yarn at 30th June, 1963;
- (iii) The ruling price of yarn at 10th September, 1963.

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Walmsley  
Cowley & Co.  
to  
Woolworths  
Limited  
6th November  
1963  
(Continued)

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Walmsley  
Cowley & Co.  
to  
Woolworths  
Limited  
6th November  
1963  
(Continued)

These pricings indicate the effect of the falling price of nylon yarn and, in the case of the series of prices referenced "C(i)", these are virtually the prices referenced "B" increased by the profit margin referred to above.

At the time of the initial conference, some reference was made to the depreciation factor applying to specialised hosiery plant. During the year ended 30th June, 1963 £10,925 was absorbed into the costings referenced "A" and "B" on the annexure, and at the 30th June, 1963 we are advised that the written down value of such plant in the Company's books was £47,340 and for taxation purposes £34,491. Without additions being acquired, the complete absorption of plant cost into continuing production on the same scale would therefore take from three to four years.

10

Mr. Millist of Woolworths Limited has supplied to us what are now considered to be the current market prices of competitive lines as referred to at the initial conference and these have been noted on the attached schedule, reference "D", in an endeavour to include in this document all relevant pricings.

20

It is trusted that the attached schedule, read in conjunction with this Report, covers the matters jointly referred to Messrs. Priestly & Morris and this firm at the initial conference, and will be of assistance in concluding negotiations between the Companies.

30

Two copies of this letter and the attached schedule are being handed to Messrs. Priestly & Morris, one of which can be passed on by them to their client. We also enclose an additional copy to cover the requirements of Mr. Millist, who was present at the initial discussions.

Yours faithfully,

WALMSLEY COWLEY & CO.

STIRLING HENRY LIMITED - HOSIERY COSTING REVIEW
YEAR ENDED 30th JUNE, 1963

	15 Denier 60 Gauge	15 Denier 51 Gauge	15 Denier 51 Gauge mesh	30 Denier 51 Gauge	TOTAL
Actual costs of Yarn, Dyes & Materials, Labour including Holiday & Sick Pay, Long Service Leave, Pay Roll Tax, Workers' Compensation Insurance, Plant Maintenance & Depreciation and packing materials used in production	101,306	2,936	17,523	35,500	157,265
10 Other manufacturing expenses apportioned to Hosiery on direct labour basis	9,708	290	1,854	3,364	15,216
	111,014	3,226	19,377	38,864	172,481
Overheads varied by, or applying to, Hosiery production	9,757	332	2,330	3,834	16,253
A. Cost prior to contribution to General Overhead & Profit	120,771	3,558	21,707	42,698	188,734
General Overheads considered not subject to variation by, or applying to, Hosiery production and sales	6,727	201	1,287	2,329	10,544
B. Total Cost as submitted by Stirling Henry Limited	127,498	3,759	22,994	45,027	199,278
Annual production, year ended 30th June, 1963 (Dozen)	59,920	1,939	8,580	22,464	92,903
<u>Costs per Dozen</u>					
20 A. Calculated on the above figures prior to a contribution towards the general administration and profits of Stirling Henry Limited	40/ 3.7	36/ 8.4	50/ 7.2	38/ 0.2	40/ 7.6
B. As costed by Stirling Henry Limited to cover their general overheads as referred to above	42/ 6.7	38/ 9.3	53/ 7.2	40/ 1.1	42/10.8
C. Costed selling prices as submitted by Stirling Henry Limited which include a profit margin of approximately 10% on sales.					
(i) Based on average cost of Yarn used, year ended 30.6.1963	47/ 1.6	43/5.9	59/ 4.6	44/ 5.5	
(ii) Based on average ruling price of Yarn at 30.6.1963	46/10.7	43/ 3.4	59/ 2.7	44/ 4.7	
(iii) Based on current ruling price of Yarn at 10.9.1963	46/ 8.3	43/ 1.6	59/ 0.2	44/ 0.9	
<u>Note re Depreciation of Hosiery Mill Plant</u>					
30 Depreciation included in costings A and B above absorbed £10,925 - equivalent to -	2/ 3.9	2/ 1.7	3/ 1.3	2/ 1.8	
Written down value still to be depreciated 30.6.1963 £47,340, Taxation £34,491 (i.e. 3 - 4 years to write off)					
D. Approximate current market prices as advised by Mr. Millist of Woolworths Limited	40/ 0	39/ 0	48/ 0	48/ 0	

## HOSIERY MILL

STATEMENT OF MANUFACTURING, TRADING, DISTRIBUTION AND ADMINISTRATION COSTS  
FOR THE TWELVE MONTHS ENDED 30.6.1963

	15 Den. 60 G.	15 Den. 51 G.	15 Den. 51 G. Mesh	30 Den. 51 G.	Total
BASIS OF EXPENSE ON DKL	63.80%	1.90%	12.20%	22.10%	100%
<b>KNITTING</b>					
Cost of Materials used (nylon Yarn)	23,379	608	2,663	8,463	35,113
Direct Knitting Labour (inc. H. & S. Pay)	24,557	736	4,689	8,530	38,512
Pay Roll Tax	614	18	118	213	963
Workers' Compensation Insurance	153	5	29	53	240
SUB TOTAL	48,703	1,357	7,499	17,259	74,828
<b>DYEING</b>					
Dyes & Chemicals	731	24	105	274	1,134
Direct Dyeing Labour (inc. H. & S. Pay)	7,410	221	1,417	2,567	11,615
Pay Roll Tax	185	6	35	64	290
Workers' Compensation Insurance	47	1	9	16	73
SUB TOTAL	57,076	1,619	9,065	20,180	87,940
<b>MANUFACTURING EXPENSE</b>					
Salary - Mill Manager	1,307	39	250	452	2,048
Direct & Indirect Finishing Labour (inc. H. & S. Pay)	26,015	775	4,975	9,012	40,777
Pay Roll Tax	683	20	131	236	1,070
Maintenance - Plant & Machinery	1,619	48	309	561	2,537
Needles & Elements	530	16	101	184	831
Packing Materials	6,575	196	1,257	2,277	10,305
Workers' Compensation Insurance	170	5	33	59	267
Long Service Leave	361	10	69	125	565
Depreciation - Plant for Hosiery production	6,970	208	1,333	2,414	10,925
SUB TOTAL DIRECT COSTS	101,306	2,936	17,523	35,500	157,265
<b>OTHER MANUFACTURING EXPENSES APPORTIONED TO HOSIERY ON DIRECT LABOUR BASIS</b>					
Electricity	2,244	67	429	777	3,517
Coal	1,547	46	296	536	2,425
Water Consumption	258	8	49	90	405
General Company Factory Maintenance	383	11	73	133	600
General Company Maintenance Wages	1,376	41	263	476	2,156
Manufacturing Salaries	2,600	77	497	901	4,075
Pay Roll Tax on above	101	3	19	35	158
Security Services	383	11	73	133	600
Advertising for Staff	19	1	4	6	30
Printing and Stationery	64	2	12	22	100
Medical Expenses	16	1	3	6	26
Personal Expenses	22	1	4	8	35
Other Insurance	681	20	130	236	1,067
Other Expenses	14	1	2	5	22
SUB TOTAL EX FACTORY COSTS	111,014	3,226	19,377	38,864	172,481
<b>OVERHEADS VARIED BY OR APPLYING TO HOSIERY PRODUCTION &amp; SALES</b>					
<b>SELLING &amp; DISTRIBUTION EXPENSE</b>					
Warehouse Wages	1,165	35	223	404	1,827
Warehouse Salaries	1,343	40	257	465	2,105
Pay Roll Tax	62	2	12	22	98
Truck Expenses	117	4	22	40	183
Outward Freight & Cartage	824	25	158	285	1,292
Insurance	149	4	29	52	234
Allowance for Loss of Sale on Mediums	828	64	621	742	2,255
<b>ADMINISTRATION EXPENSES</b>					
Discounts Allowed	853	26	163	295	1,337
Audit Fees	198	6	38	69	311
Telephone	77	2	15	27	121
Postages, Telegrams & Cables	96	3	18	33	150
Interest Paid (equivalent to Interest on Capital Investment)	3,815	114	730	1,321	5,980
Printing & Stationery	230	7	44	79	360
SUB TOTAL - COST PRIOR TO CONTRIBUTION TO GENERAL OVERHEAD & PROFIT	120,771	3,558	21,707	42,698	188,734
Cost PER DOZEN	40/ 3.7	36/ 8.4	50/ 7.2	38/ 0.2	40/ 7.6
<b>GENERAL OVERHEAD</b>					
<b>SELLING &amp; DISTRIBUTION EXPENSE</b>					
Travelling Expense	74	2	14	26	116
Car Expenses	30	1	6	10	47
Depreciation on Motor Vehicles & Fixtures & Fittings	81	3	15	28	127
<b>ADMINISTRATION EXPENSES</b>					
Rates & Taxes	950	28	182	329	1,489
Salaries - Administrative	4,256	127	814	1,474	6,671
Directors' Fees	89	3	17	30	139
Pay Roll Tax	108	3	21	38	170
Travelling Expenses	307	9	59	106	481
Bank Charges	179	5	34	62	280
Share Registry Expenses	90	3	17	31	141
Legal Expenses	143	4	27	50	224
Stamp Duty	15	1	3	5	24
Insurance	306	9	59	106	480
Depreciation	101	3	19	35	158
Subscriptions & Donations	57	2	11	20	90
Sundry Expenses	62	2	12	21	97
Discounts Received	121	4	23	42	190
TOTAL COST	127,498	3,759	22,994	45,027	199,278
ANNUAL PRODUCTION (DOZEN)	59,920	1,939	8,580	22,464	92,903
COST PER DOZEN PAIRS	42/ 6.72	38/ 9.26	53/ 7.20	40/ 1.06	42/ 10.8

Plaintiffs  
Exhibits  
Exhibit "A"  
Statement of  
Manufacturing  
Trading, dis-  
tribution and  
Administration  
Costs for year  
ended 30th June  
1963

PRIESTLEY & MORRIS  
Chartered Accountants  
15, O'Connell Street, Sydney  
New South Wales

7th November 1963.

The Managing Director,  
Stirling Henry Limited,  
The Crescent,  
Flemmington.

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Priestley &  
Morris to  
Stirling  
Henry Ltd.  
7th November  
1963.

10 Dear Sir,

Woolworths Limited

With reference to your recent request that we review the costs associated with your Company's manufacture of hosiery supplied principally to Woolworths Limited, we now enclose a copy of a report tendered by Messrs. Walmsley, Cowley & Co. in regard to this matter.

20 As you will note from the statement attached to the report, Messrs. Walmsley, Cowley & Co. have accepted the figures prepared by your Company's Cost Accountant and checked by us, with the exception that certain overhead items have been re-classified as being of a general nature not directly associated with hosiery manufacture. We agree with this re-distribution in principle although we do consider that at least a reasonable portion of this charge should be borne by the Hosiery Mill. The charge represents an allocation of 13.9% of Indirect Overheads based on the percentage of  
30 Direct Knitting Labour to total Company Wages for the year ended 30th June 1963. We feel that it is reasonable to expect the Hosiery Mill to bear an equitable portion of total overheads if it is to be considered as part of the Stirling Henry Limited organisation.

We direct your attention to the costs per dozen calculated on the schedule attached to Messrs. Walmsley, Cowley & Co's. report. The current ruling prices as supplied by Mr. Millest

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Priestley &  
Morris to  
Stirling  
Henry Ltd.  
7th November  
1963.

(Continued)

of Woolworths Limited, would not cover the direct costs of manufacturing the fifteen denier stockings, before making even a reasonable charge for general overheads, although it appears that an adequate margin of profit could be made in manufacture of thirty denier stockings.

With regard to the composition of the general overhead costs in question, we also supply a schedule which was used by Messrs. Walmsley, Cowley & Co. to determine these amounts. As you will note, the principal costs comprising general overheads are Administrative Salaries £6671 and Rates and Taxes £1489. We consider that these items are a fair charge against the Hosiery Mill when it is considered that the operation of the Mill as a separate unit would necessitate the payment of either Rates and Taxes or Rental and the employment of suitable administrative staff.

10

20

We shall be pleased to discuss any aspects of the attached report with you, prior to your proposed discussions with Woolworths Limited.

Yours faithfully,

PRIESTLEY & MORRIS

PRIESTLEY & MORRIS  
Chartered Accountants  
15, O'Connell Street, Sydney  
New South Wales.

11th November 1963.

Mr. J.C. Withycombe,  
c/o Messrs. Walmsley, Cowley & Co.,  
Chartered Accountants,  
6 Wynyard Street,  
Sydney.

10

Dear Sir,

Woolworths Limited

Thank you for the copies of your report to the above Company in connection with the review of hosiery costs of Stirling Henry Limited.

20

As you suggested, we have forwarded a copy of your report to Stirling Henry Limited for perusal by the Managing Director together with our brief comments on certain aspects of the cost calculations included in your report. Two copies of these comments are enclosed for the information of yourself and your client.

30

We understand that further costs increases are anticipated by the Company during the 1963-4 financial year, one of which is an increase from two to three weeks annual leave. In addition, the Company has been informed by Fibremakers Limited, who supply the bulk of local nylon yarn, that steps are being taken by local yarn manufacturers to have an "anti-dumping duty" introduced as a means of competing against imported yarns. As the Company at present obtains the majority of its yarn stocks from Japan at prices which we understand are approximately 25% lower than local prices of 15 denier nylon and approximately 10% lower than 30 denier yarn, it appears that this will have a notable effect on the cost of producing the hosiery in question.

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Priestley &  
Morris to  
Walmsley  
Cowley & Co.  
11th  
November  
1963.

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Priestley &  
Morris to  
Walmsley  
Cowley & Co.  
11th  
November  
1963.  
(Contd.)

Finally, we thank you for your co-operation in the review of these costs and shall be pleased to supply any information required or make available the Company's records for further checking of the costing data supplied.

Yours faithfully,

PRIESTLEY & MORRIS.

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Stirling  
Henry Ltd. to  
Woolworths  
Ltd.  
12th  
November  
1963.

AJS:MRK.

12th November, 1963

Messrs. Woolworths, Ltd.  
80, Market Street,  
SYDNEY, N.S.W.

Attention: Mr. E. Cooper.

10

Dear Sirs,

We wish to draw your attention to the fact that in spite of repeated requests we have not received Contract quantities for full fashioned Hosiery for the period January to March, 1964.

Under the terms of our agreement you are to supply us every quarter with Contracts covering production for a three month period so that we will always have a six months production cover.

20

The absence of this information could cause a delay in production and general confusion resulting in financial loss to us and could disorganise deliveries to you.

As we will be closing the Mill very shortly for the annual holidays we will appreciate receiving the necessary Contracts by return.

Yours faithfully,  
STIRLING HENRY LTD.  
A.J. STOPFORD.

30

MERCHANDISE MANAGER



WOOLWORTHS LIMITED  
 Head Office  
 80, Market Street,  
 Sydney.

Plaintiffs  
 Exhibits  
 Exhibit "A"  
 Letter  
 Woolworths  
 Limited to  
 Stirling  
 Henry Ltd.  
 12th  
 November  
 1963.

Mr. A. Wainberg,  
 Stirling Henry Ltd.,  
 The Crescent,  
FLEMINGTON, N.S.W.

12th November, 1963

Dear Mr. Wainberg,

10 re Fully Fashioned Nylon Hosiery

Further to our previous discussions, and in particular to the meeting held yesterday, we would confirm the following details of the offer we have made to you.

20 We pointed out that since the commencement of our discussions in August of this year, the current price at which Fully Fashioned Hosiery can be purchased has dropped even further, but that despite this we were prepared to base our offer on the market price at the time when the negotiations were put into the hands of our respective Auditors on 2nd October, 1963, and that because of our long association, we would be prepared to pay this price plus 7 $\frac{1}{2}$ % on all orders placed for delivery during the period 1st January, 1964 to 31st December, 1964.

The prices offered then are :-

<u>Construction</u>	<u>Based on a Market Price</u>	<u>Price</u>
30 15 Denier 60 Gauge	40/-	43/-
15 " 51 "	39/-	41/11
15 " 51 " Mesh	48/-	51/7
30 " 51 "	48/-	51/7

Terms: F.I.S. each State less 2 $\frac{1}{2}$ % 30 Days.

We also made it clear that this arrangement was to apply to the period as mentioned above and that for our requirements for delivery in

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
12th  
November  
1963.  
(Contd.)

1965 we would give priority of consideration to your Company provided your prices are competitive.

We also advised you that for the period 1st January to 31st December, 1964, we estimated our requirements as follows :-

15 Denier 60 Gauge	55,000 dozen	
15 " 51 "	6,000 "	
15 " 51 " Mesh	8,000 "	
30 " 51 "	17,000 "	10
<hr/>		
A Total of	86,000 dozen	

and informed you that provided our requirements came up to this estimate, we would be prepared to purchase at the prices mentioned, these quantities in full, but if they fell below this estimate, we even then undertake to take delivery of not less than the following quantities -

15 Denier 60 Gauge	47,000 dozen	
15 " 51 "	5,500 "	20
15 " 51 " Mesh	7,000 "	
30 " 51 "	15,500 "	
<hr/>		
A Total of	75,000 dozen	

As discussed, we should be pleased if you will advise us if this proposition is accepted by you, as in the event of it being unacceptable, you must appreciate that we must immediately proceed with negotiations of our requirements for the first part of 1964.

In conclusion we do wish to stress that these proposals are made with a sincere desire to assist you, having regard to our long association. 30

Yours faithfully,  
WOOLWORTHS LIMITED  
R. G. MILLIST

Merchandise Manager Softgoods

WOOLWORTHS LIMITED

Head Office  
80 Market Street  
Sydney

14th November, 1963

Mr. A. Wainberg,  
Stirling Henry Limited,  
The Crescent,  
FLEMINGTON, N.S.W.

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
14th  
November  
1963.

10 Dear Mr. Wainberg,

re Fully Fashioned Nylon Hosiery

20 With reference to our letter of 12th  
November, and our subsequent discussion this  
morning, as the position would appear clearer  
if your selling prices showed a margin on the  
cost of production of each line, we are quite  
prepared to revise the prices offered,  
provided that overall, on the quantities we  
estimated as our requirements for 1964, the  
amount our Company would pay in total to  
Stirling Henry Limited, would remain the same  
as applied with the offer contained in our  
letter of 12th November.

Accordingly, we revise our offer as  
follows; such to be read in conjunction with  
our letter of 12th November, 1963 -

	<u>Construction</u>	<u>Revised Price</u>
	15 Denier 60 Gauge	45/2
	15 " 51 "	41/-
30	15 " 51 " Mesh	56/9
	30 " 51 "	42/6

Terms: F.I.S. each State less 2 $\frac{1}{2}$ % 30 Days.

As a further assurance of our desire to  
assist, we will review the market prices of the  
4 lines in question at the end of each quarter  
during 1964, and if we find that these have  
increased to a level above the prices offered  
in our letter of the 12th November, we will  
then review the position with the object of

Plaintiffs  
Exhibits

Exhibit "A"  
Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
14th  
November  
1963.  
(Contd.)

considering a revision of prices in the next quarter.

In other words, we are not asking you during 1964 to accept a price less than that at which we can buy similar goods on the market - on the contrary, we are offering you at least 7½% above the market price at 2nd October, 1963, and have offered you a firm commitment at a minimum price for a twelve month period.

We appreciate from the Audit Report that the prices now offered you, although well above current market prices, may result meantime in a relatively small profit to your company. It must be borne in mind that these prices have allowed for the absorption of your overhead, and depreciation of plant, and further we have undertaken to review the situation if market prices later in 1964 rise above the level on which our offer has been based.

10

20

There is now considerable urgency on both sides to finalise this matter and we would, therefore, appreciate your acceptance of our proposition within a week, as by that time we must at least cover ourselves for supply for the first quarter of 1964.

Yours faithfully,  
WOOLWORTHS LIMITED

R. G. MILLIST

Merchandise Manager Softgoods

30

AW/PJO

20th November, 1963.

Plaintiffs  
Exhibits

The Managing Director,  
Woolworths Limited,  
80 Market Street,  
SYDNEY, N.S.W.

Exhibit "A"  
Letter  
Stirling  
Henry Ltd. to  
Woolworths  
Limited  
20th  
November  
1963.

For personal attention of Mr. W.T. Kelly.

Dear Sir,

10 We refer to previous discussions and  
correspondence and now to your letter of the  
14th November.

20 As we see it, the whole question of the  
price to be paid for the various lines of our  
Fully Fashioned Hosiery must be looked at in  
the light of the agreement between us, the  
details of which are well known to you. For  
many years now, you have taken the whole of  
our production and we have not sold elsewhere.  
As a result, we have no other market for these  
goods but your Company. It is not possible for  
us to average out our selling prices among  
various buyers and by selling at a profit to  
others to sell at distressed prices to you.  
It is for that reason and because of our long  
standing agreement which we have always carried  
out to the letter that it is not realistic to  
use your interpretation of a "market price" as  
a yard stick against which to measure the  
prices you now offer us.

30 The position as we see is that you are  
offering us the following effective net prices  
(give and take fractions).

15 Den. 60 G.	15 Den. 51 G.	15 Den. 30 Den. 51 G.	
		Mesh	
44/-	40/-	55/4	41/5

For some time you have been adamant that in  
order to save "haggling" over prices every  
three months, we should allow your Auditors to  
examine our costings and that you are prepared

Plaintiffs  
Exhibits  
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Exhibit "A"  
Letter  
Stirling  
Henry Ltd. to  
Woolworths  
Limited  
20th  
November  
1963.  
(Contd.)

to pay a reasonable price, even if it means subsidising by Woolworths. At first we were reluctant for this to be done but at the end we agreed, and the report in your hands indicates the following cost to us.

15 Den.60 G.	15 Den.51 G.	15 Den. Mesh	30 Den.51 G.
42/6.7	38/9.3	53/7.2	40/1.1

To this 5d. per dozen must be added which takes care of the recent increase in labour costs due to our liability for an extra one week of annual leave. This presents a picture as follows:-

10

15 Den.60 G.	15 Den.51 G.	15 Den. Mesh	30 Den. 51 G.
42/11.7	39/2.3	54/0.2	40/6.1

the net result being that you are offering us a margin of profit of:-

15 Den.60 G.	15 Den. 51 G.	15 Den. Mesh	30 Den.51 G.
1/0.3 (2 $\frac{1}{4}$ %)	9.7d. (2%)	1/3.8(2 $\frac{1}{2}$ %)	10.9d.(2 $\frac{1}{4}$ %)

20

As you must realise this is not an equitable business proposition taking into consideration your gross profit margin which is as follows:-

15 Den 60 G. (22/- (50%))	15 Den 51 G.	This line your selling price not known but the total purchases of this line from us for the year ended 30/6/63 were 1,750 dozen.
------------------------------	--------------	--

30

15 Den Mesh 39/8 (71.5%)	30 Den 51 G. 41/7 (100%)
-----------------------------	-----------------------------

give and take fractions.

Although in your letter of the 3rd May, 1962, you indicate that your aim is to achieve

an average budget mark up of 48%.

In our opinion an equitable business proposition would be the cost price arrived at by Woolworths' Auditors, plus 10% profit margin plus the increase in labour cost mentioned above which would then show the following Net Prices :-

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Stirling  
Henry Ltd. to  
Woolworths  
Limited  
20th  
November  
1963.  
(Contd.)

15 Den. 60 G. 15 Den. 51 G. 15 Den. 30 Den 51 G.  
Mesh

10      47/1                      43/6                      59/5                      44/6

giving you an average budget mark up on your 1964 estimates of 52%, give and take fractions, and giving us the average profit of 10%.

You will notice how in these figures the gross mark-up to you has been greatly increased and to us greatly decreased, comparing with the margins originally agreed.

20      Our proposed prices are subject to rise and fall in Raw Materials and Labour, this to be reviewed every quarter.

For your information the cost composition of hosiery is as follows:-

Yarn Cost	17.62%
Labour Cost	45.61%
Other expenses	36.77%

30      Finally we cannot agree (as we have already pointed out during our discussions) to the last paragraph on page 1 of your letter of 12th November, if this is still supposed to be part of the offer made in your letter of 14th November. We agree of course to a further review of prices to be paid for your requirements for delivery in 1965 but we expect you to take your requirements from us in terms of the existing agreements.

We fully agree to the necessity of a quick finalisation of this matter of price and might

Plaintiffs  
Exhibits

-----  
Exhibit "A"

Letter  
Stirling  
Henry Ltd. to  
Woolworths  
Limited  
20th  
November  
1963.  
(Contd.)

mention that our existing commitments for raw materials etc. are such that we shall have no difficulty in fulfilling all your requirements for a considerable period.

Yours faithfully,  
STIRLING HENRY LIMITED.

A. WAINBERG  
MANAGING DIRECTOR.



WOOLWORTHS LIMITED  
80 Market Street,  
Sydney  
Managing Director's Office

27th November 1963

The Managing Director,  
Stirling Henry Ltd.  
The Crescent,  
Flemington.

Plaintiffs  
Exhibits  
Exhibit "A"  
Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
27th  
November  
1963.

10 Dear Sir,

We have received your letter of 20th November 1963 and regret to learn that you have not accepted the offer we had made for the purchase of Fully Fashioned Hosiery for the year 1964.

20 In our discussions you had mentioned the basis on which you wished to make counter proposals and your letter sets out these in detail but we have already advised you verbally that we are not prepared to negotiate at these uncompetitive prices.

On several occasions during our discussions we have emphasised that no agreement exists between our companies with regard to the supply of Fully Fashioned Hosiery but rather that the business transacted over recent years has been based on the goodwill existing between us and, we presume, to our mutual advantage.

30 Over these current negotiations we feel that we have extended our goodwill well beyond the bounds of normal business prudence in as much that we have made an offer to you based on  $7\frac{1}{2}\%$  in excess of the prices at which we could have purchased like merchandise from other well established suppliers during the period of our negotiations, despite the fact that since that time prices for some of the items have fallen even lower.

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolwoths  
Limited to  
Stirling  
Henry Ltd.  
27th  
November  
1963.  
(Contd.)

Our offer eventuated because you informed us that if you were to accept our original proposals to purchase only at market price you would have been operating at a loss. It was for this reason that we suggested, and you agreed, that our respective Auditors investigate and report on the costings of each line so that we could reconsider our proposed prices with the object, if possible, of raising our offer to a level which would ensure that you did not operate at a loss. Let us reiterate that we were never interested in your costs or costings for any reason other than to ensure that any offer we made would enable you to operate profitably. 10

Based on the information produced by both our Auditors we made the offer contained in our letter of 12th November and at your suggestion amended this by our letter of 14th November, so that each cost would show a profit on each individual line. We were satisfied that this would ensure you your cost of production, overheads and reasonable depreciation but we went even further and undertook to review prices during 1964 so that consideration would be given to adjusting our prices to you if the market price of any line rose to a higher level than that on which our offer was originally based (as set out in our letter of 12th November). We are confident our offer would have enabled you to keep your plant in profitable operation for the whole of 1964, a period when it is anticipated Fully Fashioned Hosiery manufacturing will be at a low ebb. You will appreciate that in the circumstances our offer is withdrawn as we must arrange immediate placement of our requirements elsewhere and, naturally, we will progressively adjust our selling prices in relation to our new purchase prices. 20 30 40

We realise the possibility that your yarn stocks and commitments could now be an embarrassment to your Company and although we would prefer not to be involved in raw materials,

if it would be of assistance we will arrange for Mr. Millist to discuss this matter to find out whether we could help by purchasing these or arranging a transfer to other of our hosiery manufacturers.

10 In view of our association which has extended over many years it is regrettable that on this occasion we have been unable to reach a satisfactory solution, but we trust that conditions in the future may change so that you are in a position to offer Fully Fashioned Hosiery to our Company at competitive prices.

Yours truly,

(Theo Kelly)  
Managing Director

Plaintiffs  
Exhibits  

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Exhibit "A"  
Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
27th  
November  
1963.  
(Contd.)

Plaintiffs  
Exhibits

URGENT TELEGRAM 28/11/63 12.25 p.m.

Exhibit "A"  
Telegram  
Stirling  
Henry Ltd. to  
Woolworths  
Limited  
28th  
November  
1963.

TO: MR. THEO KELLY  
MANAGING DIRECTOR  
WOOLWORTHS  
80 MARKET STREET.

REFERENCE YOUR LETTER OF 27TH HAVE ENDEAVOURED  
CONTACT YOU BY PHONE WITHOUT SUCCESS STOP  
MR. MILLIST ALSO UNAVAILABLE STOP SUGGEST  
YOUR MR. MILLIST AND OUR MR. STOPFORD MEET  
IMMEDIATELY BEFORE IRREPARABLE DAMAGE SUFFERED 10  
BY US BY REASON YOUR ATTITUDE.

WAINBERG STIRLING HENRY.

AW:MRK

29th November, 1963.

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Stirling  
Henry Ltd. to  
Woolworths  
Limited  
29th  
November  
1963.

Mr. Theo. Kelly,  
Managing Director,  
Messrs. Woolworths, Ltd.  
80, Market St.  
SYDNEY. N.S.W.

Dear Sir,

10 We write to confirm our telegram of  
yesterday's date, reading as follows:-

TELEGRAM: 28/11/63. 12.25 p.m. TO: MR. THEO  
KELLY. MANAGING DIRECTOR. WOOLWORTHS. 80  
MARKET STREET - "REFERENCE YOUR LETTER OF 27TH  
HAVE ENDEAVOURED CONTACT YOU BY PHONE WITHOUT  
SUCCESS STOP MR. MILLIST ALSO UNAVAILABLE STOP  
SUGGEST YOUR MR. MILLIST AND OUR MR. STOPFORD  
MEET IMMEDIATELY BEFORE IRREPARABLE DAMAGE  
SUFFERED BY US BY REASON YOUR ATTITUDE"  
SIGNED. WAINBERG. STIRLING HENRY.

20 We also write to confirm telephone  
conversation between your Mr. Millist and our  
Mr. Stopford of this morning's date when Mr.  
Millist explained that the matter was out of  
his hands and should receive the attention of  
the Managing Director. In view of your  
unavailability to discuss this further with us  
to-day, Friday 29th November, we are prepared  
30 to hold the matter over until Monday in order  
that you may make a further decision on our  
proposal for a Conference as set out in our  
telegram.

We would therefore anticipate hearing  
from you without fail on Monday next 2nd  
December, 1963.

Yours faithfully,  
STIRLING HENRY LTD.

A. Wainberg.  
MANAGING DIRECTOR.

Plaintiffs  
Exhibits

AND.F

9th December, 1963.

Exhibit "A"  
Letter  
Dawson,  
Waldron  
Edwards & Co.  
to  
Woolworths  
Limited.  
9th December  
1963

The Managing Director,  
Woolworths Limited,  
80 Market Street,  
SYDNEY.

Dear Sir,

RE STIRLING HENRY LIMITED

We are the Solicitors for Stirling Henry Limited, which has consulted us regarding its long standing agreement with your Company for the manufacture and supply of Fully Fasioned Hosiery. 10

It is unnecessary for us at this stage to traverse in detail the history of the matter, with which you are entirely familiar. None the less, we must place on record certain of the facts and events leading up to the present situation.

In 1955 Stirling Henry Limited, at your Company's request, agreed to import and set up machinery in order to produce Fully Fashioned Nylon Stockings exclusively for your Company, on the understanding that your Company would purchase its requirements for Fully Fashioned Nylon Stockings exclusively from our client, up to the limit of the plant's productive capacity. Within a matter of months your Company's requirements were such that in order to meet them our client found it necessary to erect new buildings and instal additional machinery. To assist our client to meet the considerable cost involved, your Company lent it at interest the sum of £45,000 which was duly repaid. 20 30

In consequence of this agreement, your Company acquired a sole manufacturer which has provided excellent service throughout the course of your dealings.

It is, of course, the fact that the agreement also proved a profitable one to Stirling Henry Limited, so long as the prices paid by your Company continued to be, as the agreement contemplated equivalent to a fair market price, and capable of providing to our client a reasonable margin of profit and a fair return upon its substantial capital investment. One consequence of this agreement, of which your Company was aware, was that our Client was precluded from establishing any alternative market for its hosiery, being bound to sell to your Company the whole of its production, and indeed, Stirling Henry, since 1955, in full accord with that agreement has sold no Fully Fashioned Hosiery to any buyer other than Woolworths, and has, without exception, produced only your Company's brands.

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Dawson,  
Waldron  
Edwards & Co.  
to  
Woolworths  
Limited.  
9th December  
1963.  
(Contd.)

During 1961, our Client consented to substantial reductions in its selling prices in order to assist Woolworths to meet the difficult trading conditions which your Company was then said to be encountering. Our client's co-operation at that stage was of undoubted assistance, as your Company acknowledged.

Since that time, Stirling Henry has been placed under constant pressure to reduce further its selling prices to your Company. While it was able to maintain a fair margin of profit within the scope of the agreement, it was prepared to, and did, do so. Indeed, it expressed its willingness to lower its prices so as to allow your Company to maintain its profit margin.

However, the events of the last few months have made it plain that your Company has chosen these consistent demands for price reduction as a means of renouncing its obligation under the Agreement, and increasing its own mark-up to a most unreasonable degree.

Ultimately, as you are well aware, our Client made it clear that the further

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Dawson,  
Waldron  
Edwards &  
Co. to  
Woolworths  
Limited.  
9th December  
1963.  
(Contd.)

concessions which your Company was then requiring would reduce the price below the level agreed and would deny to Stirling Henry the fair profit margin to which it was entitled. Our client agreed, reluctantly, to your Company's suggestion that its Auditors investigate Stirling Henry's hosiery costing. The results of the investigation amply supported our Client's view. Woolworths, none the less, ignored the evidence which its Auditors had provided, and presented a proposition which our Client was quite unable to accept as a reasonable performance of your Company's contractual obligations. As our Client has already made clear, your Company's conception of "market price" which it appears to equate with the price at which Woolworths can buy elsewhere, has no relevance to the true agreement.

10

Even at this stage, Stirling Henry was prepared to consider some compromise in an endeavour to maintain the agreement and protect its business from irreparable injury. But the offer made by Mr. Stopford to Mr. Millist at the latter's office on the 2nd December was rejected. Not only that, but Mr. Millist informed Mr. Stopford that the prices at which Woolworths were prepared to buy during the next quarter would be further reduced below those stipulated in its letter of the 14th November.

20

30

Stirling Henry has always been, and still is, prepared to sell its Hosiery production to your Company in terms of the agreement. But it cannot accept as a proper market price the figure at which your Company asserts that it can negotiate purchases from other manufacturers. Nor can it accept as a proper performance of the agreement what your Company describes as a "firm commitment", terminating at the end of 1964.

40

Our Client, therefore, has no option but to treat your Company's proposals as set out in



its letters of the 12th and 14th November, and its rejection of the offer made by our Client on the 2nd December, as a repudiation of the agreement.

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Dawson,  
Waldron  
Edwards &  
Co. to  
Woolworths  
Limited.  
9th December  
1963.  
(Contd.)

10 During the last few days, our client has endeavoured to find alternative outlets for its Hosiery production. But it has found (as it had feared might be the case) that by reason of the fact that for the past eight years it has manufactured these goods solely for your Company, there is now no other market available to it.

20 Obviously, Stirling Henry cannot continue to manufacture goods which it cannot sell; and, indeed, at the present rate of production it will have, by the 20th December when the Christmas break begins, about five thousand dozen stockings surplus to orders scheduled for delivery to your Company by the 1st January, 1964.

30 In these circumstances, in order to do what it can to minimize the great financial loss it now faces, our Client has no course open to it but the permanent closure of the stocking mill, a section of its undertaking brought into existence at your Company's behest and for the purpose of its business alone. Our Client will take this step with great reluctance, as it involves the dismissal of a large number of skilled employees (to whom notice must be given by the 13th December) who must then be left to seek work elsewhere. But in view of your Company's attitude, there is no alternative. In due course, our Client will be obliged to dispose as best it can of its stocks of materials; in all probability it will be impossible to find a buyer for the plant and machinery. These are not pessimistic statements made for tactical purposes; they are sober fact.

40

We would not suggest that the agreement constituted a commitment of the parties, each

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Dawson,  
Waldron  
Edwards &  
Co. to  
Woolworths  
Limited.  
9th  
December  
1963.  
(Contd.)

to the other, in perpetuity. But there can be little doubt that it was an agreement of the class which can only be terminated on reasonable notice. In the special circumstances of this case, with its "heavy initial expenditure" the purpose of the notice would be, inter alia, to ensure that our Client was able to secure a proper return on its initial outlay before your Company's action should render its plant valueless: cf. the judgment of the Privy Council in Australian Blue Metal v Hughes 1963 A.C. 74 at P.99.

10

In present circumstances the period of notice required to effect that purpose would take some time to assess; there can be no doubt that it would much exceed the period of one year contemplated by your letter.

It is evident that as a result of your Company's conduct Stirling Henry will sustain very extensive losses; and though it much regrets that its business relations with your Company should end in this fashion, it will have no option but to institute proceedings to recover substantial damages.

20

Our Client is still prepared to treat with you even up to the eleventh hour, in an endeavour to reach some mutually satisfactory agreement as an alternative to the consequences foreshadowed above which, at least from its point of view are not less than catastrophic.

30

Please feel at liberty, if you so desire, to approach our Client direct if you have any suggestions to offer, without feeling obliged to communicate through us. Time is short; any such discussions may be had without prejudice; and any negotiations about price, or a basis for continuation of the agreement are best handled direct as between businessmen.

Yours truly,  
DAWSON WALDRON, EDWARDS & NICHOLLS.

40

WOOLWORTHS LIMITED  
 Head Office  
 80, Market Street,  
 Sydney

Plaintiffs  
 Exhibits

                      
 Exhibit "A"

FHF:MNF

December 9, 1963.

Stirling Henry Ltd.  
 The Crescent,  
FLEMINGTON. N.S.W.

Letter  
 Woolworths  
 Limited to  
 Stirling  
 Henry Ltd.  
 9th December  
 1963.

10 Dear Sirs,

We confirm our telephone advice to Mr.  
 Jarvis this morning as follows:-

O/N            Ref.

47986	B56/04474	Gypsy	8½ AVE	2 dozen
			9 "	8 dozen
			9½ "	8 dozen
			10 AVE	7 dozen
			10½ "	7 dozen
		Defer until after	9½ LONG	4 dozen
20		1st February, 1964.	10 LONG	3 dozen
			10½ LONG	6 dozen

19393 B29/03675 Defer any undelivered balances  
 until after 1st February.

19387 Cancel any outstanding  
 balances.

Yours faithfully,  
WOOLWORTHS LIMITED.

F. H. FIELD  
BUYER.

Plaintiffs  
Exhibits  
            
Exhibit "A"

WOOLWORTHS LIMITED  
Head Office  
80, Market Street,  
Sydney

Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
10th  
December  
1963.

PHF:MNF

December 10, 1963.

Messrs. Stirling Henry Ltd.,  
The Crescent,  
FLEMINGTON. N.S.W.

Dear Sirs,

10

ORDERS FROM VICBULK

We are in receipt of a request from  
Vicbulk that the following orders be varied as  
detailed hereunder:-

<u>REF.</u>	<u>O/N</u>	
B33	47997A Air France Mink	} Defer until after 10/1/64.
B33	47997A Italia	Defer to 14-28/1/64.
B33	47997B	Defer to 11-25/2/64.
B56	19395 Nut Brown	Defer to 14-28/1/64. 20
B56	47986	Defer to 11-25/2/64.

Would you kindly defer delivery in accordance  
with the above details.

Yours faithfully,  
WOOLWORTHS LIMITED.

F. H. FIELD.  
BUYER.

URGENT TELEGRAM

TO: MR. THEO KELLY  
MANAGING DIRECTOR, WOOLWORTHS  
MARKET ST. SYDNEY

WE WISH TO DRAW AGAIN TO YOUR ATTENTION THAT IN  
ORDER TO COMPLY WITH TEXTILE WORKERS AWARD  
TO-MORROW FRIDAY DECEMBER THIRTEENTH IS THE  
LAST DAY ON WHICH WE HAVE TO GIVE NOTICES OF  
DISMISSAL TO OUR TOTAL HOSIERY MILL STAFF OF  
10 SEVENTY EMPLOYEES MOSTLY ALL WITH US SINCE THE  
INCEPTION OF THE HOSIERY MILL AND TRAINED BY  
US AT GREAT EXPENSE AND WHO HAVE GIVEN YOU  
EXCELLENT SERVICE STOP THEY WILL FIND IT  
ALMOST IMPOSSIBLE TO SECURE EMPLOYMENT IN  
THEIR OCCUPATION.

WAINBERG. STIRLING HENRY

A. Wainberg. Stirling Henry  
The Crescent, Flemington.  
Phone No. 76-0321.

Plaintiffs  
Exhibits  
-----  
Exhibit "A"  
Telegram  
Stirling  
Henry Ltd.  
to  
Woolworths  
Limited  
12th  
December  
1963.

Plaintiffs  
Exhibits

AW/PJO

12th December, 1963

Exhibit "A"

Letter  
Stirling  
Henry Ltd. to  
Woolworths  
Limited  
12th  
December  
1963.

Mr. Theo Kelly,  
Managing Director,  
Woolworths Ltd.,  
Market St.,  
SYDNEY. N.S.W.

Dear Sir,

We wish to confirm having sent you to-day  
an urgent Telegram reading as follows:-

"WE WISH TO DRAW AGAIN TO YOUR ATTENTION THAT  
IN ORDER TO COMPLY WITH TEXTILE WORKERS AWARD  
TO-MORROW FRIDAY DECEMBER THIRTEENTH IS THE  
LAST DAY ON WHICH WE HAVE TO GIVE NOTICES OF  
DISMISSAL TO OUR TOTAL HOSIERY MILL STAFF OF  
SEVENTY EMPLOYEES MOSTLY ALL WITH US SINCE THE  
INCEPTION OF THE HOSIERY MILL AND TRAINED BY US  
AT GREAT EXPENSE AND WHO HAVE GIVEN YOU  
EXCELLENT SERVICE STOP THEY WILL FIND IT  
ALMOST IMPOSSIBLE TO SECURE EMPLOYMENT IN THEIR  
OCCUPATION.

10

20

WAINBERG. STIRLING HENRY."

Yours faithfully,  
STIRLING HENRY LIMITED.

A. WAINBERG  
MANAGING DIRECTOR.

STEPHEN, JAQUES & STEPHEN  
Solicitors & Notaries  
A.M.P. Building,  
Circular Quay,  
Sydney.

December 12th, 1963

4/SJH  
AND.F

Plaintiffs  
Exhibits  
-----  
Exhibit "A"  
Letter  
Stephen  
Jaques &  
Stephen to  
Dawson  
Waldron  
Edwards &  
Co.  
12th  
December  
1963.

10 Messrs. Dawson Waldron Edwards,  
& Nicholls,  
M.L.C. Building,  
44 Martin Place,  
Sydney, New South Wales.

Dear Sirs,

Woolworths Limited and Stirling Henry Limited

We act for Woolworths Limited and have been instructed to reply to your letter of 9th December.

20 We see no advantage at this stage in traversing the various statements and allegations contained in your letter. Our client does not admit that they are true or that your letter presents a balanced view of the arrangements between the respective parties.

30 On our instructions, there has been no breach or repudiation by our client and, indeed, the recent correspondence indicated a willingness on the part of our client to have committed itself to purchasing on the most generous terms because of the long association of these Companies. Your client's failure to accept this offer has necessitated our client in placing orders with other suppliers.

40 Notwithstanding these commitments, our client would be prepared, in the spirit of the letters to your client, to purchase the five thousand dozen stockings referred to on page 5 of your letter. This offer is to purchase for delivery in February at prices

Plaintiffs  
Exhibits  
-----  
Exhibit "A"  
Letter  
Stephen  
Jaques &  
Stephen to  
Dawson  
Waldron  
Edwards &  
Co.  
12th  
December  
1963.  
(Contd.)

equivalent to those which it is now paying to other suppliers. Please let us know immediately whether your client accepts this offer, as it is made in an endeavour to assist your client and must not be taken in any way as an admission of any obligation or liability on the part of our client.

If, as stated in your letter, your client is considering commencing proceedings, please let us have full particulars of the agreement or contract upon which it relies and the breach or breaches alleged against our client.

10

Yours faithfully,

STEPHEN, JAQUES & STEPHEN.

Plaintiffs  
Exhibits  
-----  
Exhibit "A"  
Telegram  
Theo Kelly  
to Mr.  
Wainberg  
13th  
December  
1963.

HH 001= SSK377 =  
SYDNEY TLX NSW 53 4.50P

MR WAINBERGER  
STIRLING HENRY  
THE CRESCENT FLEMINGTON NSW

YOUR TELEGRAM RECEIVED STOP SURELY NO ONE COULD 20  
HAVE DONE MORE THAN WE TO ENSURE CONTINUITY  
EMPLOYMENT YOUR EMPLOYEES THROUGHOUT 1964 AND  
AT THE SAME TIME PROVIDE PROFITABLE BUSINESS TO  
YOUR COMPANY STOP THE RESPONSIBILITY MUST  
THEREFORE BE ACCEPTED BY YOU  
...KELLY MANAGING DIRECTOR WOOLWORTHS LTD

(1964) 10



AND.F  
4/SJH

13th December, 1963

Plaintiffs  
Exhibits  
  
Exhibit "A"  
  
Letter  
Dawson  
Waldron  
Edwards &  
Co. to  
Stephen  
Jaques &  
Stephen.  
13th  
December  
1963.

Messrs. Stephen Jaques & Stephen,  
Solicitors,  
A.M.P. Building,  
Circular Quay,  
SYDNEY.

Dear Sirs,

10

STIRLING HENRY LIMITED AND  
WOOLWORTHS LIMITED

We refer to your letter of the 12th instant.

Our client, without prejudice to its rights and solely for the purpose of mitigating the substantial damage suffered by it as a consequence of your client's breach, is prepared to sell to your client its surplus stock of stockings on the terms outlined in your letter.

20

Our client is in no way obliged at this stage to supply you with the particulars requested in the last paragraph of your letter; the appropriate time to supply such particulars will be after proceedings have been commenced.

30

To emphasise its willingness to negotiate a mutually satisfactory solution as an alternative to the consequences foreshadowed in our letter to your client of the 9th instant, our client yesterday sent to your client's Managing Director a telegram reiterating what would be the consequences of your client's conduct. Today it received a telegram in reply to the effect that the responsibility for these consequences must be accepted by our Client.

The attitude adopted by your Client Company, since it became apparent that it

Plaintiffs  
Exhibits  
———  
Exhibit "A"  
Letter  
Dawson  
Waldron  
Edwards &  
Co. to  
Stephen  
Jaques &  
Stephen  
13th  
December  
1963.  
(Contd.)

would be in its interests to depart from the terms of the contract with our Client, however, puts it beyond doubt that the sole responsibility for the present disastrous situation rests with your Client Company.

Yours truly,  
DAWSON WALDRON EDWARDS & NICHOLLS

STEPHEN, JAQUES & STEPHEN  
A.M.P. Building  
Circular Quay,  
Sydney.

28th January, 1964  
4/SJH  
AND.F

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Stephen  
Jaques &  
Stephen to  
Dawson,  
Waldron  
Edwards  
& Co.  
28th January  
1964.

10 Messrs. Dawson, Waldron, Edwards  
& Nicholls,  
Solicitors,  
44 Martin Place,  
SYDNEY.

Dear Sirs,

re Woolworths Limited  
ats Stirling Henry Limited

20 We refer to your letter of the 13th  
December to which there seemed little point  
in replying in view of the fact that  
proceedings were commenced on behalf of your  
client within a few days after receipt of your  
letter.

With regard to the purchase of certain  
stockings as referred to in the fourth  
paragraph of our letter of the 12th December,  
we are instructed that our client's buyers  
will be in touch with your client early in  
February.

We need hardly repeat that our client  
denies all liability in the matter.

30 Yours faithfully,

STEPHEN, JAQUES & STEPHEN.

Plaintiffs  
Exhibits

AJS/PJO

Exhibit "A"

6th February, 1964.

Letter  
Stirling  
Henry Ltd. to  
Woolworths  
Limited  
6th February  
1964.

Managing Director,  
Woolworths Ltd.  
Market Street,  
SYDNEY, N.S.W.

Dear Sir,

Enclosed please find list of stock.

As you already know, the Hosiery Mill  
is completely closed down and we now await  
your early instructions with regards to  
delivery of the stock as per attached list. 10

Yours faithfully,  
STIRLING HENRY LIMITED

A. J. STOPFORD  
Merchandise Manager.

## STIRLING HENRY LTD.

STOCK LIST AS AT 6/2/64.TOTAL QUANTITIES EACH STYLE.

33	Full Fashioned 15 Denier Plain	1634 $\frac{1}{2}$ dozen.
56	Full Fashioned 30 Denier Plain	2374 $\frac{1}{2}$ dozen.
29	Full Fashioned 15 Denier Mesh	572 dozen.
10	"For all Occasions" Full Fashioned 15 Denier	204 $\frac{1}{2}$ dozen.

MEDIUMS

15 Denier Fairyweb Plain	85 dozen.
30 Denier Fairyweb Plain	180 dozen.
15 Denier Fairyweb Mesh	83 dozen.

STOCK DETAILS OF EACH LINE.

Hosiery Fairyweb 33 Full Fashioned Nylon 15  
Denier Plain

ITALIA.

20 Ref	04275	8 $\frac{1}{2}$ Av.	125
	04276	9 Av.	143
	04277	9 $\frac{1}{2}$ Av.	81
	04279	10 Av.	79
	04281	10 $\frac{1}{2}$ Av.	7 $\frac{1}{2}$
	04278	9 $\frac{1}{2}$ Long.	64
	04280	10 Long.	57
	04282	10 $\frac{1}{2}$ Long.	22
	04283	11 Long.	12 $\frac{1}{2}$

---

591 dozen.

Plaintiffs  
Exhibits

Exhibit "A"

Stirling  
Henry Ltd.  
Stock List  
as at  
6th February  
1964.

Plaintiffs  
Exhibits

HONEY FIZZ.

Exhibit "A"	Ref.	03959	8 $\frac{1}{2}$ Av.	100 $\frac{1}{2}$	
Stirling		03961	9 Av.	138 $\frac{1}{2}$	
Henry Ltd.		03962	9 $\frac{1}{2}$ Av.	112	
Stock list		03964	10 Av.	41	
as at		03966	10 $\frac{1}{2}$ Av.	10	
6th February		03963	9 $\frac{1}{2}$ Long	34	
1964		03965	10 Long	44 $\frac{1}{2}$	
(Contd.)		03967	10 $\frac{1}{2}$ Long	25	
		03968	11 Long	4 $\frac{1}{2}$	10
				<hr/>	
				510 dozen.	

MINK

Ref.	03969	8 $\frac{1}{2}$ Av.	45	
	03970	9 Av.	57 $\frac{1}{2}$	
	03971	9 $\frac{1}{2}$ Av.	16	
	03973	10 Av.	47 $\frac{1}{2}$	
	03975	10 $\frac{1}{2}$ Av.	2 $\frac{1}{2}$	
	03972	9 $\frac{1}{2}$ Av.	21	
	03974	10 Long	23 $\frac{1}{2}$	
	03976	10 $\frac{1}{2}$ Long	24 $\frac{1}{2}$	20
	03977	11 Long	26	
			<hr/>	
			263 $\frac{1}{2}$ dozen.	

Hosiery Fairyweb 33 Full Fashioned Nylon 15  
Denier Plain (contd)

Plaintiffs  
Exhibits

AIR FRANCE

Exhibit "A"

Stirling  
Henry Ltd.  
Stock list  
as at  
6th February  
1964  
(Contd.)

Ref.	03662	8½ Av.	74
	03663	9 Av.	20
	03664	9½ Av.	26
	03665	10 Av.	11
	03666	10½ Av.	7½
	03667	9½ Long	14
10	03668	10 Long	29
	03669	10½ Long	12½
	03670	11 Long	5
			<hr/>
			199 dozen

WHITE.

Ref.	03987	8½ Av.	14½
	03988	9 Av.	13½
	03671	9½ Av.	13½
	03673	10 Av.	7½
	03696	10½ Av.	5½
20	03672	9½ Long	7½
	03674	10 Long	3½
	03697	10½ Long	5½
			<hr/>
			71 dozen

Plaintiffs  
Exhibits

Hosiery Fairyweb 56 Full Fashioned Nylon  
30 Denier Plain

Exhibit "A"

Stirling  
Henry Ltd.  
Stock list  
as at  
6th February  
1964  
(Contd.)

Ref		<u>GLAMOUR.</u>		
04474		8 $\frac{1}{2}$ Av.	-	
04475		9 Av.	53 $\frac{1}{2}$	
04476		9 $\frac{1}{2}$ Av.	62	
04478		10 Av.	33 $\frac{1}{2}$	
04480		10 $\frac{1}{2}$ Av.	47	
04477		9 $\frac{1}{2}$ Long	34	
04479		10 Long	36	10
04481		10 $\frac{1}{2}$ Long	38	

---

304 dozen

GYPSY.

Ref	04482	8 $\frac{1}{2}$ Av.	56	
	04483	9 Av.	123 $\frac{1}{2}$	
	04484	9 $\frac{1}{2}$ Av.	41 $\frac{1}{2}$	
	04486	10 Av.	38	
	04488	10 $\frac{1}{2}$ Av.	58 $\frac{1}{2}$	
	04485	9 $\frac{1}{2}$ Long	24 $\frac{1}{2}$	
	04487	10 Long	48 $\frac{1}{2}$	20
	04489	10 $\frac{1}{2}$ Long	27	

---

417 $\frac{1}{2}$  dozen

NUT BROWN.

Ref	03770	8 $\frac{1}{2}$ Av.	121 $\frac{1}{2}$	
	03771	9 Av.	113 $\frac{1}{2}$	
	03772	9 $\frac{1}{2}$ Av.	83	
	03774	10 Av.	56	
	03776	10 $\frac{1}{2}$ Av.	135 $\frac{1}{2}$	
	03773	9 $\frac{1}{2}$ Long	76 $\frac{1}{2}$	
	03775	10 Long	36	30
	03777	10 $\frac{1}{2}$ Long	81 $\frac{1}{2}$	
	03778	11 Long	25 $\frac{1}{2}$	

---

729 dozen



Hosiery Fairyweb 56 Full Fashioned Nylon  
30 Denier Plain (contd.)

Plaintiff's  
Exhibits

SARABAND.

Exhibit "A"

Ref	04550	8 $\frac{1}{2}$ Av.	56 $\frac{1}{2}$
	04551	9 Av.	101
	04552	9 $\frac{1}{2}$ Av.	179 $\frac{1}{2}$
	04554	10 Av.	73
	04556	10 $\frac{1}{2}$ Av.	140 $\frac{1}{2}$
	04553	9 $\frac{1}{2}$ Long	115
10	04555	10 Long	74 $\frac{1}{2}$
	04557	10 $\frac{1}{2}$ Long	122
	04558	11 Long	7 $\frac{1}{2}$

Stirling  
Henry Ltd.  
Stock list  
as at  
6th February  
1964  
(Contd.)

869 $\frac{1}{2}$  dozen

MYSTIC.

Ref	04492	9 Av.	7 $\frac{1}{2}$
	04496	10 Av.	28
	04498	10 $\frac{1}{2}$ Av.	8
	04497	10 Long	8 $\frac{1}{2}$
	04495	9 $\frac{1}{2}$ Long	2
20	04499	10 $\frac{1}{2}$ Long	$\frac{1}{2}$

54 $\frac{1}{2}$  dozen

Hosiery Fairyweb 29 Full Fashioned Nylon  
15 Denier Mesh

AIR FRANCE

Ref	03675	8 $\frac{1}{2}$ Av.	17 $\frac{1}{2}$
	03676	9 Av.	32 $\frac{1}{2}$
	03677	9 $\frac{1}{2}$ Av.	48 $\frac{1}{2}$
	03680	9 $\frac{1}{2}$ Long	13
	03678	10 Av.	69 $\frac{1}{2}$
30	03681	10 Long	46
	03679	10 $\frac{1}{2}$ Av.	12
	03682	10 $\frac{1}{2}$ Long	14
	03683	11 Long	37

290 dozen

Plaintiffs  
Exhibits

Hosiery Fairyweb 29 Full Fashioned Nylon  
15 Denier Mesh (contd.)

Exhibit "A"

Stirling  
Henry Ltd.  
Stock list  
as at  
6th February  
1964  
(Contd.)

		<u>MINK</u>		
Ref	04450	8 $\frac{1}{2}$ Av	22	
	04451	9 Av	21 $\frac{1}{2}$	
	04452	9 $\frac{1}{2}$ Av	10 $\frac{1}{2}$	
	04454	10 Av	29 $\frac{1}{2}$	
	04456	10 $\frac{1}{2}$ Av	24	
	04455	10 Long	20 $\frac{1}{2}$	
	04453	9 $\frac{1}{2}$ Long	4 $\frac{1}{2}$	10
	04457	10 $\frac{1}{2}$ Long	1	
	04458	11 Long	11 $\frac{1}{2}$	
			<hr/>	
			145 dozen	

		<u>HONEY FIZZ</u>		
Ref	04390	8 $\frac{1}{2}$ Av	10 $\frac{1}{2}$	
	04392	9 Av	5	
	04393	9 $\frac{1}{2}$ Av	8 $\frac{1}{2}$	
	04394	9 $\frac{1}{2}$ Long	9 $\frac{1}{2}$	
	04395	10 Av	44 $\frac{1}{2}$	
	04596	10 Long	19	20
	04397	10 $\frac{1}{2}$ Av	5 $\frac{1}{2}$	
	04398	10 $\frac{1}{2}$ Long	1	
	04399	11 Long	$\frac{1}{2}$	
			<hr/>	
			104 dozen	

		<u>DELLA</u>		
Ref	04380	8 $\frac{1}{2}$ Av	1	
	04383	9 $\frac{1}{2}$ Long	$\frac{1}{2}$	
	04384	10 Av	9 $\frac{1}{2}$	
	04385	10 Long	3	
	04386	10 $\frac{1}{2}$ Av	6 $\frac{1}{2}$	30
	04387	10 $\frac{1}{2}$ Long	11 $\frac{1}{2}$	
	04388	11 Long	1	
			<hr/>	
			33 dozen.	

Hosiery Nylons for all Occasions Full Fashioned  
Nylon 15 Denier 51G

Plaintiffs  
Exhibits

Exhibit "A"

Stirling  
Henry Ltd.  
Stock list  
as at  
6th February  
1964  
(Contd.)

<u>CHARM</u>						
Av	8½	9	9½	10	10½	11
	19	½	35	15	12	-
Long	-	-	1½	1½	4	22 = 110½ dozen.

<u>CAPRI</u>						
Av	16½	22	29½	10½	1½	-
Long			7	1	2½	3½ = 94 dozen.
10	Total					204½ dozen

MEDIUMS

15 Denier	85 dozen.
30 Denier	180 dozen.
Mesh	83 dozen.

PACKING: Packed 33 dozen to a carton, where possible one colour, one size. Contents of each carton marked clearly on the outside.

THE FOLLOWING IS THE STOCK OF WOOLWORTHS

20 EXCLUSIVE PACKING MATERIALS:

Hosiery Transfers

33/11	196,000	
29/11	114,000	
56/11	<u>151,000</u>	
Total	461,000	at 10/- per thousand - cost price £230.10. 0

Cello Bags.

30	Plain	10½ M	at 68/- per M - cost price	£35.14. 0
	Fairyweb Mesh	4 M	at 120/- per M cost price	£24. 0. 0
	Fairyweb 30 D	½ M	at 116/- per M cost price	£ 2.18. 0
	Nylons for All Occasions	1 M	at 101/3 per M cost price	£ 5. 1. 3
	Cartons	680	at 2/7 each - cost price	£87.16. 8

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
20th  
February  
1964.

WOOLWORTHS LIMITED

Head Office  
80 Market Street, Sydney.

RGM:MNF

February 20, 1964.

The Merchandise Manager,  
Messrs. Stirling Henry Ltd.  
The Crescent,  
FLEMINGTON, N.S.W.

Dear Sir,

We acknowledge receipt of your letter of the 6th 10  
instant, attaching a schedule of the stock of  
hosiery held by you at that date.

In accordance with the offer made in our  
solicitors' letter of the 12th December, 1963, to  
purchase stock of approximately 5000 dozen pairs  
at prices equivalent to those which we were  
paying to other suppliers, we now enclose our  
orders for the requirements of all States.

We confirm that the several lines concerned, and 20  
the relevant prices are as follows:-

Ref. 33 Hosiery Fairyweb 15 Den. Fully Fashioned Plain 1634 6/12 dozen @ 39/- per dozen.	
Ref. 56 Hosiery Fairyweb 30 Den. Fully Fashioned Plain 2374 6/12 dozen @ 47/- per dozen	
Ref. 29 Hosiery Fairyweb 15 Den. Fully Fashioned Mesh 572 dozen @ 48/- per dozen	
Hosiery "For All Occasions" 15 Den. Fully Fashioned Plain 204 6/12 dozen @ 37/- per dozen	
Hosiery Mediums 15 Den. Plain 85 dozen @ 33/- per dozen	30
Hosiery Mediums 30 Den. Plain 180 dozen @ 35/6 per dozen	
Hosiery Mediums 15 Den. Mesh 83 dozen @ 44/- per dozen	

TERMS: Less 2½% 30 Days. F.I.S. All States.

Delivery will be accepted as shown on the  
official order forms.

Yours faithfully,  
WOOLWORTHS LIMITED.  
R.G. MILLIST  
Merchandise Manager, Softgoods.

Stephen, Jaques & Stephen  
Solicitors & Notaries

A.M.P. Building,  
Circular Quay,  
Sydney, Australia.

Plaintiffs'  
Exhibits

Exhibit "A"

4/SJH

Your ref. AND.F

2nd September, 1964

Letter  
Stephen  
Jaques &  
Stephen to  
Dawson Waldron  
Edwards & CO.

2nd September  
1964

Contd.

Messrs. Dawson, Waldron Edwards  
& Nicholls,  
Solicitors,  
44, Martin Place,  
SYDNEY.

10

Dear Sirs,

re Woolworths Limited ats.  
Stirling Henry Limited

Will you please let us have the following  
particulars of the matters alleged in the  
plaintiff's points of claim:

As to paragraph 4:

- 20
- (i) Was the agreement referred to oral or in writing or partly oral and partly in writing?
  - (ii) If in writing or partly in writing please identify the document and indicate where it may be inspected.
  - (iii) If oral or partly oral when, where and by whom on the part of the plaintiff and the defendant respectively was it made.

As to paragraph 5:

- 30
- (i) On what date or dates is it alleged that the plaintiff purchased the necessary machinery and plant.
  - (ii) From what person or persons did the plaintiff purchase the necessary machinery and plant.

- Plaintiff's Exhibits (iii) Please specify the cost of the necessary machinery and plant.
- Exhibit "A" (iv) On what date did the plaintiff complete the erection and establishment of the said mill?
- Letter Stephen Jaques & Stephen to Dawson Wadron Edwards & Co. As to paragraph 8:
- (i) Was the "determination" of the said agreement express or implied?
- 2nd September 1964 (ii) If implied please specify the facts and circumstances said to give rise to the implication. 10
- Contd. (iii) If express was it oral or in writing or partly oral and partly in writing?
- (iv) If in writing or partly in writing please identify the document and indicate where it may be inspected.
- (v) If oral or partly oral when, where and by whom on the part of the defendant and to whom on the part of the plaintiff was it made? 20
- (vi) It is assumed that the "repudiation" referred to arises out of the "determination" of the agreement, but if any additional facts and matters are relied upon to support the allegation that the defendant repudiated the agreement will you please furnish particulars of the same.
- As to paragraph 9:
- (i) Please furnish full particulars of the profits which it is alleged the plaintiff could have earned from the production and sale to the defendant at fair and reasonable prices during the period of any reasonable notice and indicate how the amount claimed for loss of profits is arrived at. 30
- (ii) What sum, if any, is claimed in respect of the allegation that the mill and the

machinery have become of no use and value to the plaintiff and the plaintiff has been obliged to close down the mill - if any sum is claimed in this respect please identify with precision how the same is arrived at.

We note that we have 14 days after the receipt of the above particulars for the purpose of filing our points of defence.

Yours faithfully,

(signed) STEPHEN JAQUES

AND.F.

29th December, 1964

Messrs. Stephen Jaques & Stephen,  
Solicitors,  
A.M.P. Building,  
CIRCULAR QUAY N.S.W.

Dear Sirs,

Stirling Henry Limited  
v Woolworths Limited

We furnish herewith the following further and better particulars of the plaintiff's claim as requested :-

As to paragraph 4

(i) in writing.

(ii) Letter Woolworths Limited to Stirling Henry Limited dated 10/5/55, Agreement Woolworths Limited and Stirling Henry Limited dated 30/11/55.

As to paragraph 5

(i), (ii), (iii) A schedule covering these matters is attached

(iv) This is a matter of evidence.

Plaintiff's Exhibits

Exhibit "A"

Letter Stephen Jaques & Stephen to Dawson Waldron Edwards & Co.

2nd September 1964.

Contd.

Letter Dawson Waldron Edwards & Co. to Stephen Jaques & Stephen

29th December 1964

Contd.

10

20

30

- Plaintiff's Exhibits
- Exhibit "A"
- Letter Dawson Waldron Edwards & Co. to Stephen Jaques & Stephen
- 29th December 1964
- Contd.
- As to paragraph 8
- (i) Express
  - (ii) Not applicable.
  - (iii) Oral and in writing.
  - (iv) By letters from Woolworths Limited to Stirling Henry Limited dated 12/11/63, 14/11/63 and 27/11/63. 10
  - (v) At the meetings at the defendant's office, 80 Market Street, Sydney on 14/11/63 between Messrs. Kelly, Millist, Wainberg and Stopford, and at the subsequent meeting at the same place on 2/12/63 between Messrs. Kelly, Millist and Stopford.
  - (vi) Your assumption is correct.

As to paragraph 9

- (i) The average annual gross profits earned by the plaintiff from the operation of its hosiery mill manufacturing stockings for the defendant were as follows :- 20
  - (a) Over the last 7 years before the mill was closed down - average £85,099
  - (b) Over the last 5 years - average £88,033
  - (c) Over the last 3 years - average £84,080

The average annual net profit from the operations of the mill were as follows :-

  - (a) Over the last 7 years - £40,792 30
  - (b) Over the last 5 years - £43,103
  - (c) Over the last 3 years - £39,711
- (ii) The written down value of the plant and machinery installed in the hosiery mill, as recorded in the company's books of account



as at 30/6/64 was £38,464.

No depreciation has been provided for in respect of the hosiery mill building which is now surplus to the company's requirements. The building cost the plaintiff £22,520. 6. 6.

Plaintiff's Exhibits

Exhibit "A"

Letter Dawson Waldron Edwards & Co. to Stephen Jaques & Stephen

29th December 1964  
Contd.

Yours truly,

DAWSON WALDRON EDWARDS & NICHOLLS

Date of Purchase	Supplier	Description	Cost
16.11.55	Samuel Pegg & Son	2 only pre-goading Machines	6,748.14. 0
8.12.55	Mellor Bromley & Co. Ltd.	6 only Four Division Full Fashion Hosiery Machines	20,973.12. 8
31.10.55	" "	6 only " " "	22,728. 9. 1
13.12.55	Fidelity Machine Co.	1 only Fidelity Rolande Hose Control System	372.19. 2
31.12.55	Gordon Bros. Pty. Ltd.	1 only Presetting Hosiery Nylon Machine	2,005.19. 0
25. 1.56	Mellor Bromley & Co. Ltd.	6 only Four Division Full Fashion Hosiery Machines	19,892.12.8
20. 2.56	Vance & Mc Kee Pty.Ltd.	2 only Black Plastic Hose inspection Forms	79.18.10
20. 2.56	" " "	2 only Envelope Packing Foot operated Machines	45.13. 4
		Carried forward	

Schedule Hosiery Mill Plant and machinery purchased

Undated.  
Contd.

Plaintiff's Exhibits	Date of Purchase	Supplier	Description	Cost	
Exhibit "A"			Brought forward		
Schedule Hosiery Mill Plant and Machinery purchased.	2. 3.56	Mellor Bromley & Co.	6 only Four Division Full Fashion Hosiery Machines	20,020.15.	2
Undated. Contd.	31. 3.56	James Hardie Trading Co.	1 only Inspection Machine	917.13.	7
	31.3.56	Capron Carter Pty. Ltd.	8 only Union Special Model 41300W Sewing Machines	1,946. 6.	2
	30.4. 56	G.H. & L. Boughton	1 only 5 cwt. Avery Weighing Machine	47.10.	0
	30. 4.56	L. Dee	1 only 48 x 24 Mackenzie Washing Machine	170. 0.	0
	3. 5.56	Mellor Bromley & Co.	6 only Four Division Full Fashion Hosiery Machines	19,078. 6.	4
	24. 5.56	" " "	6 only " "	19,023.18.	11
	27. 5.56	" " "	Necessary spare parts for Hosiery Machines	120. 6.	11
	30. 5.56	Leigh & Haines Eng. Co. Pty. Ltd.	1 only Ladder Mending Machine & 1 only snag removing machine	126. 0.	0
	30. 6.56	" " "	1 only " " & 1 only "	126. 0.	0
	30. 6.56	Austral Transfer Co.	1 only Iron & 1 only Heat control unit	11.10.	0
	30. 6.56		Installation of plant	1,100. 6.	1
	31. 7.56	Capron Carter Pty. Ltd.	6 only Union Special Sewing Machines	1,429. 5.	0
	31. 7.56	L. Dee	1 only Washing Machine	400. 0.	0
			Carried forward		

	<u>Date of Purchase</u>	<u>Supplier</u>	<u>Description</u>	<u>Cost</u>	Plaintiff's Exhibits
			Brought forward		
	30. 9.56	Singer Sewing Machine	6 only Electric Transmitters	190.10. 0	Exhibit "A"
	30.10.56	Vance & McKee Pty.Ltd.	2 only Black Plastic Hose inspection Forms	88. 0. 0	Schedule Hosiery Mill Plant and Machinery purchased
10	28. 2.57	Leigh & Harris Eng. Co.Pty. Ltd.	1 only Ladder Mending Machine	64. 10.0	
	30. 6.57	" " "	1 only Snag Removing Machine	61.10. 0	Undated Contd.
	30. 4.57	James Hardie Trading Co.	48 only Preboarding Forms	324.12. 1	
	8. 5.57	Mellor Bromley & Co. Ltd.	Knitting Elements for Hose Knitting Machines	655. 5. 0	
20	30.10.57	" " "	6 only Four Division Full Fashion Hosiery Machines	18,736. 1.11	
	12.12.57	" " "	6 only " "	18,552.11.11	
	30.10.57	James Hardie Trading Co.	1 only Paramount Peg Pre-boarding Machine	2,081.10. 7	
	28. 2.58	Vance & McKee Pty. Ltd.	1 only Hose Inspection & Testing Form on Pedestal	44. 0. 0	
30	28.2.58	Gordon Bros. Pty. Ltd.	Attachments for Preboarding Machine	78.15. 0	
	28. 2.58	Vance & McKee Pty. Ltd.	1 only Black Plastic Hose Inspection Form	44. 0. 0	
	31. 1.59	Compressor & Air Equipment Pty. Ltd.	1 only B6 Compressor Unit	67. 5. 8	
	30. 9.59		Sale of Plant	12. 4. 6	
40	31.10.59	F.R.Strange Pty. Ltd.	1 only Finishing Machine	100. 0. 0	
				£ 177,542. 4. 7	

Plaintiff's  
Exhibits -

Exhibit "A"

Letter  
Dawson Waldron  
Edwards & Co.  
to Stephen  
Jaques &  
Stephen

11th February  
1965

Messrs. Stephen Jaques  
& Stephen,  
Solicitors,  
A.M.P. Building,  
CIRCULAR QUAY.

11th February, 1965

Dear Sirs,

Stirling Henry Limited v Woolworths  
Limited

10

We would be glad if you would furnish us with  
the following particulars in relation to paragraph  
4 of the Points of Defence :-

1. Was the agreement of July 1961 referred to  
wholly oral, wholly in writing or partly oral and  
partly in writing.

2. If wholly or partly in writing identify the  
documents relied upon and state when and where  
they may be inspected.

20

3. If wholly or partly oral state :-

(a) when,

(b) where, and

(c) between whom

the oral agreement, or the oral terms thereof were  
made, and state the substance of the said terms.

Yours truly,

DAWSON WALDRON EDWARDS & NICHOLLS

30

STEPHEN, JAQUES & STEPHEN  
Solicitors & Notaries

Plaintiff's  
Exhibits

4/MC/SJH

Your ref. M

Exhibit "A"

A.M.P. Building,  
Circular Quay,  
Sydney, Australia.

Letter  
Stephen  
Jaques &  
Stephen to  
Dawson Waldron  
Edwards & Co.

Messrs. Dawson, Waldron, Edwards  
& Nicholls,

10 Solicitors,  
44 Martin Place,  
SYDNEY, N.S.W.

9th March, 1965.

9th March  
1965  
Contd.

Dear Sirs,

Woolworths Limited ats. Stirling  
Henry Limited

We refer to your letter of the 11th  
February, 1965 and answer your requisitions as  
follows :-

- 20 1. The agreement of July, 1961 referred to was  
partly oral and partly in writing.
2. The documents relied upon are :-

Letter from Woolworths Limited to Stirling  
Henry Limited 10th July 1961.

Letter from Stirling Henry Limited to  
Woolworths Limited 27th July, 1961.

Letter from Woolworths Limited to Stirling  
Henry 1st August, 1961.

30 Letter from Stirling Henry Limited to  
Woolworths 9th August, 1961.

These documents may be inspected at our  
office by appointment.

- 40 3. The oral part of the agreement arose from a  
meeting held on the 10th July, 1961 at  
80 Market Street, Sydney, when there were  
present Mr. T. Kelly and Mr. R. H. Fleming  
of Woolworths Limited and Mr. A. Wainberg  
and Mr. A. J. Stopford of Stirling Henry  
Limited.

Plaintiff's  
Exhibits

The agreement reached was substantially as follows :-

Exhibit "A"

Letter Stephen  
Jaques &  
Stephen to  
Dawson Waldron  
Edwards & Co.

9th March 1965  
Contd.

- (i) Woolworths Limited were to draw 75% of their requirements of Fully Fashioned Women's Hosiery from Stirling Henry Limited at market price.
- (ii) If 75% of Woolworths Limited's requirements fell below 50,000 dozen, the percentage of purchases was to rise to ensure that Stirling Henry Limited received an order for not less than 50,000 dozen. 10
- (iii) In the event of Woolworths Limited's total requirements falling below 50,000 dozen, this total would be the quantity then purchased from Stirling Henry Limited.
- (iv) A contract was to be placed for six months' requirements; prices to be firm for six months but quantities to be reviewed each three months, giving a six months' cover at any one time. 20
- (v) Woolworths Limited were to give Stirling Henry Limited the opportunity of quoting special prices for the 25% requirements referred to earlier.
- (vi) Stirling Henry Limited were to have the right to sell on the open market and not confine their production to Woolworths Limited. 30

Yours faithfully,

STEPHEN JAQUES & STEPHEN

STEPHEN, JAQUES & STEPHEN  
Solicitors & Notaries

A.M.P. Building,  
Circular Quay,  
Sydney,  
Australia.

4/SJH

Your Ref. MRT

Messrs. Dawson, Waldron, Edwards  
& Nicholls,  
Solicitors,  
44 Martin Place,  
SYDNEY.

5th April, 1965.

Plaintiff's  
Exhibits

Exhibit "A"

Letter  
Stephen  
Jaques &  
Stephen to  
Dawson Waldron  
Edwards & Co.

5th April 1965

Dear Sirs,

re Woolworths Limited ats.  
Stirling Henry Limited

We refer to your recent telephone discussion  
with Mr. Howard and confirm that each party is to  
submit to the other a list of documents which are  
to be subject to discovery and inspection.  
Accordingly, we now enclose the defendant's list  
of documents and we look forward to receiving the  
plaintiff's list as soon as possible.

Yours faithfully,

STEPHEN JAQUES & STEPHEN

DOCUMENTS FOR DISCOVERY

1. Agreement made between Stirling Henry Limited  
and Woolworths Limited, dated 30th November,  
1955.
2. Letter from Merchandise Manager, Woolworths  
Limited to Mr. A. Wainberg, Managing Director  
of Stirling Henry Limited, dated 10th May,  
1955.
3. Copy letter from Mr. A. Wainberg, Managing  
Director of Stirling Henry Limited to  
Woolworths Limited dated 3rd July, 1957.

Defendant's  
list of  
documents  
for discovery

Undated  
Contd.

Plaintiff's  
Exhibits

Exhibit "A"

Defendant's  
list of docu-  
ments for  
discovery

Undated  
Contd.

4. Copy letter from Mr. A. J. Stopford, Stirling Henry Limited to Woolworths Limited dated 25th March, 1960.
5. Copy letter from Mr. E. W. Cooper, Buyer, Woolworths Limited to Stirling Henry Limited dated 31st March, 1960.
6. Letter from Mr. E. W. Cooper, Buyer, Woolworths Limited to Stirling Henry Limited, dated 10th July, 1961. 10
7. Letter from Mr. A. J. Stopford, Stirling Henry Limited to Woolworths Limited, dated 27th July, 1961.
8. Letter from Miller, Woolworths Limited to Stirling Henry Limited, dated 1st August, 1961.
9. Letter from Mr. A. J. Stopford, Stirling Henry Limited to Miller, Woolworths Limited, dated 9th August, 1961. 20
10. Letter from Millist, Woolworths Limited to Mr. A. Wainberg, Managing Director, Stirling Henry Limited, dated 13th August, 1963.
11. Letter from Mr. A. Wainberg, Stirling Henry Limited to Millist, Woolworths Limited, dated 19th August, 1963.
12. Letter from Messrs. Priestly & Morris to Messrs. Walmsley, Cowley & Company, dated 11th November, 1963.
13. Copy letter from Messrs. Priestly & Morris to Managing Director, Stirling Henry Limited, dated 7th November, 1963. 30
14. Letter from Millist, Woolworths Limited to Mr. A. Wainberg, Managing Director, Stirling Henry Limited, dated 12th November, 1963.
15. Letter from Millist, Woolworths Limited to Mr. A. Wainberg, Stirling Henry Limited, dated 14th November, 1963.



- |    |   |   |
|----|---|---|
|    | 16. Letter from Mr. A. Wainberg, Stirling Henry Limited to Managing Director, Woolworths Limited, dated 20th November, 1963.        | Plaintiff's Exhibits                        |
|    | 17. Copy letter from Managing Director, Woolworths Limited to Managing Director, Stirling Henry Limited, dated 27th November, 1963. | Exhibit "A"                                 |
| 10 | 18. Telegram from Mr. A. Wainberg, Stirling Henry Limited to Managing Director, Woolworths Limited, dated 28th November, 1963.      | Defendant's list of documents for discovery |
|    | 19. Letter from Mr. A. Wainberg, Stirling Henry Limited to Managing Director, Woolworths Limited, dated 29th November, 1963.        | Undated Contd.                              |
|    | 20. Letter from Messrs. Dawson, Waldron, Edwards & Nicholls to the Managing Director, Woolworths Limited, dated 9th December, 1963. |   |
| 20 | 21. Letter from Stephen, Jaques & Stephen to Messrs. Dawson, Waldron, Edwards & Nicholls, dated 12th December, 1963.                |   |
|    | 22. Telegram from Managing Director, Woolworths Limited to Wainberg, Stirling Henry Limited dated 12th December, 1963.              |   |
|    | 23. Letter from Wainberg, Stirling Henry Limited to Managing Director, Woolworths Limited, dated 12th December, 1963.               |   |
| 30 | 24. Letter from Messrs. Dawson, Waldron, Edwards & Nicholls to Messrs. Stephen, Jaques & Stephen dated 13th December, 1963.         |   |
|    | 25. Letter from Messrs. Stephen, Jaques & Stephen to Messrs. Dawson, Waldron, Edwards & Nicholls dated 28th January, 1964.          |   |
|    | 26. Letter from Millist, Woolworths Limited, to the Merchandising Manager, Stirling Henry Limited, dated 20th February, 1964.       |   |
|    | 27. Letter from Messrs. Dawson, Waldron, Edwards & Nicholls to Messrs. Stephen, Jaques & Stephen, dated 1st July, 1964.             |   |

Plaintiff's Exhibits	28. Letter from Messrs. Stephen, Jaques & Stephen to Messrs. Dawson, Waldron, Edwards & Nicholls, undated.	
Exhibit "A"		
Defendant's list of documents for discovery	29. Letter from Messrs. Dawson, Waldron, Edwards & Nicholls to Messrs. Stephen, Jaques & Stephen, dated 7th July, 1964.	
Undated Contd.	30. Letter from Messrs. Stephen, Jaques & Stephen to Messrs. Dawson, Waldron, Edwards & Nicholls, dated 15th July, 1964.	10
	31. Letter from Messrs. Dawson, Waldron, Edwards & Nicholls to Messrs. Stephen, Jaques & Stephen, dated 17th July, 1964.	
	32. Letter from Messrs. Stephen, Jaques & Stephen to Messrs. Dawson, Waldron, Edwards & Nicholls, dated 21st July, 1964.	
	33. Letter from Messrs. Dawson, Waldron, Edwards & Nicholls to Messrs. Stephen, Jaques & Stephen, dated 28th July, 1964.	20
	34. Letter from Messrs. Stephen, Jaques & Stephen to Messrs. Dawson, Waldron, Edwards & Nicholls dated 2nd September, 1964.	
	35. Letter from Messrs. Dawson, Waldron, Edwards & Nicholls to Messrs. Stephen, Jaques & Stephen dated 29th December, 1964, and schedule thereto.	
	36. Letter from Messrs. Stephen, Jaques & Stephen to Messrs. Dawson, Waldron, Edwards & Nicholls dated 12th January, 1965.	30
	37. Letter from Messrs. Dawson, Waldron, Edwards & Nicholls to Messrs. Stephen, Jaques & Stephen dated 2nd February, 1965.	
	38. Letter from Messrs. Dawson, Waldron, Edwards & Nicholls to Messrs. Stephen, Jaques & Stephen dated 11th February, 1965.	
	39. Letter from Messrs. Stephen, Jaques & Stephen to Messrs. Dawson, Waldron, Edwards & Nicholls dated 9th March, 1965.	40

M/  
4/SJH

20th April, 1965.

Plaintiff's  
Exhibits

Messrs. Stephen, Jacques & Stephen,  
Solicitors,  
A.M.P. Building,  
Circular Quay,  
SYDNEY.

Exhibit "A"

Letter Dawson  
Waldron  
Edwards & Co.  
to Stephen  
Jaques &  
Stephen

Dear Sirs,

20th April  
1965

10

Stirling Henry Limited v. Woolworths Limited

We are in receipt of your letter of 5th instant enclosing your client's list of documents for discovery.

We now forward herewith the Plaintiff's list of documents for discovery. The documents set out in the attached list go only to the issue of liability and not to the issue of damages.

20

We will be asking you to make certain admissions of matters relative to the issue of damages in order to facilitate proof of damage, and the question of what further documents the Plaintiff will discover will depend upon the admissions which you are prepared to make.

Yours truly,

DAWSON WALDRON EDWARDS & NICHOLLS

Enc.

DOCUMENTS FOR DISCOVERY

30

1. Letter dated 10th May, 1955 from the defendant to the plaintiff.
2. Copy letter dated 21st November, 1955 from the plaintiff's solicitors to messrs. Walter Linton & Bennett.
3. Letter dated 23rd November, 1955 from messrs. Walter Linton & Bennett to the plaintiff's solicitors.

Plaintiff's  
list of  
documents for  
discovery.

Undated.  
Contd.

Plaintiff's  
Exhibits

Exhibit "A"

Plaintiff's  
list of  
documents for  
discovery.

Undated.

Contd.

4. Agreement made 30th November, 1955 between the plaintiff of the one part and the defendant of the other part.
5. Letter dated 6th February, 1956 from Messrs. Walter Linton & Bennett to the plaintiff's solicitors.
6. Copy letter dated 10th February, 1956 from the plaintiff's solicitors to Messrs. Walter Linton & Bennett. 10
7. Letter dated 13th February, 1956 from Messrs. Walter Linton & Bennett to the plaintiff's solicitors.
8. Letter dated 22nd March, 1956 from the defendant to the plaintiff.
9. Copy letter dated 23rd March, 1956 from the plaintiff to the defendant.
10. Letter dated 24th April, 1956 from Messrs. Walter Linton & Bennett to the plaintiff's solicitors. 20
11. Letter dated 7th June, 1956 from Messrs. Walter Linton & Bennett to the plaintiff's solicitors.
12. Letter dated 4th February, 1957 from the defendant to the plaintiff.
13. Letter dated 8th April, 1957 from the defendant to the plaintiff.
14. Copy letter dated 11th April, 1957 from the plaintiff to the defendant.
15. Copy letter dated 3rd July, 1957 from the plaintiff to the defendant. 30
16. Letter dated 10th December, 1957 from the defendant to the plaintiff.
17. Letter dated 10th July, 1961 from the defendant to the plaintiff.
18. Copy letter dated 27th July, 1961 from the plaintiff to the defendant.

- |    |   |  |
|----|---|--|
|    | 19. Letter dated 1st August, 1961 from the defendant to the Plaintiff.          | Plaintiff's Exhibits                         |
|    | 20. Copy letter dated 9th August, 1961 from the plaintiff to the defendant..    | Exhibit "A"                                  |
|    | 21. Copy letter dated 12th September, 1961 from the plaintiff to the defendant. | Plaintiff's list of documents for discovery. |
| 10 | 22. Copy letter dated 4th October, 1961 from the plaintiff to the defendant.    | Undated.                                     |
|    | 23. Letter dated 13th October, 1961 from the defendant to the plaintiff.        | Contd.                                       |
|    | 24. Letter dated 13th October, 1961 from the defendant to the plaintiff.        |  |
|    | 25. Copy letter dated 16th October, 1961 from the plaintiff to the defendant.   |  |
|    | 26. Copy letter dated 17th January, 1962 from the plaintiff to the defendant.   |  |
| 20 | 27. Copy letter dated 1st March, 1962 from the plaintiff to the defendant.      |  |
|    | 28. Letter dated 9th March, 1962 from the defendant to the plaintiff.           |  |
|    | 29. Copy letter dated 13th March, 1962 from the plaintiff to the defendant.     |  |
|    | 30. Letter dated 3rd May, 1962 from the defendant to the plaintiff.             |  |
|    | 31. Letter dated 16th May, 1962 from the defendant to the plaintiff.            |  |
| 30 | 32. Copy letter dated 22nd May, 1962 from the plaintiff to the defendant.       |  |
|    | 33. Letter dated 24th May, 1962 from the defendant to the plaintiff.            |  |
|    | 34. Letter dated 26th July, 1962 from the defendant to the plaintiff.           |  |

- Plaintiff's Exhibits
- Exhibit "A"
- Plaintiff's list of documents for discovery.
- Undated.
- Contd.
35. Letter dated 11th September, 1962 from Woolworths (Qld.) Limited to the Plaintiff.
  36. Copy letter dated 9th October, 1962 from the plaintiff to the defendant.
  37. Letter dated 2nd November, 1962 from the defendant to the plaintiff.
  38. Copy letter dated 7th March, 1963 from the plaintiff to the defendant. 10
  39. Letter dated 12th March, 1963 from the defendant to the plaintiff.
  40. Letter dated 1st May, 1963 from the defendant to the plaintiff.
  41. Copy letter dated 1st August, 1963 from the plaintiff to the defendant.
  42. Copy letter dated 12th August, 1963 from the plaintiff to the defendant.
  43. Letter dated 13th August, 1963 from the defendant to the plaintiff. 20
  44. Copy letter dated 19th August, 1963 from the plaintiff to the defendant.
  45. Undated letter from Woolbris Warehouse to the plaintiff.
  46. Letter dated 29th August, 1963 from the defendant to the plaintiff.
  47. Copy letter dated 6th November, 1963 from messrs. Walmsley Cowley & Co. to the defendant.
  48. Letter dated 7th November, 1963 from Messrs. Priestly & Morris to the plaintiff. 30
  49. Copy letter dated 11th November 1963 from Messrs. Priestly & Morris to Messrs. Walmsley Cowley & Co.
  50. Copy letter dated 12th November, 1963 from the plaintiff to the defendant.

- |    |  |  |
|----|--|--|
|    | 51. Letter dated 12th November, 1963 from the Defendant to the plaintiff.                                | Plaintiff's Exhibits                         |
|    | 52. Letter dated 14th November, 1963 from the defendant to the plaintiff.                                | Exhibit "A"                                  |
|    | 53. Copy letter dated 20th November, 1963 from the plaintiff to the defendant.                           | Plaintiff's list of documents for discovery. |
| 10 | 54. Letter dated 27th November, 1963 from the defendant to the plaintiff.                                | Undated.                                     |
|    | 55. Copy urgent telegram dated 28th November, 1963 from the plaintiff to the defendant.                  | Contd.                                       |
|    | 56. Copy letter dated 29th November, 1963 from the plaintiff to the defendant.                           |  |
|    | 57. Copy letter dated 9th December, 1963 from the plaintiff's solicitors to the defendant.               |  |
|    | 58. Copy letter dated 12th December, 1963 from the plaintiff to the defendant.                           |  |
| 20 | 59. Letter dated 12th December, 1963 from the defendant's solicitors to the plaintiff's solicitors.      |  |
|    | 60. Copy letter dated 13th December, 1963 from the plaintiff's solicitors to the defendant's solicitors. |  |
|    | 61. Urgent telegram dated 13th December, 1963 from the defendant to the plaintiff.                       |  |
|    | 62. Letter dated 28th January, 1964 from the Defendant's solicitors to the plaintiff's solicitors.       |  |
| 30 | 63. Copy letter dated 6th February, 1964 from the plaintiff to the defendant.                            |  |
|    | 64. Letter dated 20th February, 1964 from the defendant to the plaintiff.                                |  |
|    | 65. Copy letter dated 1st July, 1964 from the plaintiff's solicitors to the defendant's solicitors.      |  |

- |  |  |    |
|--|--|----|
| Plaintiff's Exhibits                         | 66. Undated letter from the defendant's solicitors to the plaintiff's solicitors.                        |    |
| Exhibit "A"                                  | 67. Copy letter dated 7th July, 1964 from the plaintiff's solicitors to the defendant's solicitors.      |    |
| Plaintiff's list of documents for discovery. | 68. Letter dated 15th July, 1964 from the defendant's solicitors to the plaintiff's solicitors.          |    |
| Undated.                                     | 69. Copy letter dated 17th July, 1964 from the plaintiff's solicitors to the defendant's solicitors.     | 10 |
| Contd.                                       | 70. Letter dated 21st July, 1964 from the defendant's solicitors to the plaintiff's solicitors.          |    |
|  | 71. Copy letter dated 28th July, 1964 from the plaintiff's solicitors to the defendant's solicitors.     |    |
|  | 72. Letter dated 2nd September, 1964 from the defendant's solicitors to the plaintiff's solicitors.      | 20 |
|  | 73. Copy letter dated 29th December, 1964 from the plaintiff's solicitors to the defendant's solicitors. |    |
|  | 74. Letter dated 12th January, 1965 from the defendant's solicitors to the plaintiff's solicitors.       |    |
|  | 75. Copy letter dated 2nd February, 1965 from the plaintiff's solicitors to the defendant's solicitors.  | 30 |
|  | 76. Copy letter dated 11th February, 1965 from the plaintiff's solicitors to the defendant's solicitors. |    |
|  | 77. Letter dated 9th March, 1965 from the plaintiff's solicitors to the defendant's solicitors.          |    |
|  | 78. Documents filed as of record.  |    |



STEPHEN JAQUES & STEPHEN  
Solicitors & Notaries

A.M.P. Building,  
Circular Quay,  
Sydney,  
Australia.

Plaintiff's  
Exhibits

Exhibit "A"

Letter  
Stephen  
Jaques &  
Stephen to  
Dawson Waldron  
Edwards & Co.

4/MC/SJH

Your Ref. M

10 Messrs. Dawson Waldron Edwards & Nicholls,  
Solicitors,  
44 Martin Place,  
SYDNEY, N.S.W.

26th April, 1965.

26th April  
1965.

Dear Sirs,

WOOLWORTHS LIMITED ATS STIRLING HENRY LIMITED

20 We refer to your letter of the 20th April,  
1965 and to our telephone conversation with your  
Mr. Dakin today, and confirm the arrangement  
whereby each party is to exchange photo copies  
of discovered documents not held by the other  
party.

After perusal of your list of documents we  
have enclosed copies of :-

1. Agreement made between Stirling Henry Limited  
and Woolworths Limited, dated 30th November,  
1955.
2. Copy letter from Mr. A.J. Stopford, Stirling  
Henry Limited to Woolworths Limited, dated  
25th March, 1960.
- 30 3. Copy letter from Mr. E.W. Cooper, Buyer,  
Woolworths Limited to Stirling Henry Limited,  
dated 31st March, 1960.
4. Telegram from Managing Director, Woolworths  
Limited to Weinberg, Stirling Henry Limited,  
dated 12th December, 1963.

Would you please forward us copies of the  
following documents :-

40 Document numbers 2 to 14 (inclusive), 16, 21  
to 42 (inclusive), 45 to 48 (inclusive), 51,  
61, and 63.

Yours faithfully,  
STEPHEN JAQUES & STEPHEN.

Plaintiff's  
Exhibits

M

30th April, 1965.

Exhibit "A"  
Letter  
Dawson Waldron  
Edwards & Co.  
to Stephen  
Jaques &  
Stephen

Messrs. Stephen Jaques & Stephen,  
Solicitors,  
A.M.P. Building,  
CIRCULAR QUAY.

Dear Sirs,

Stirling Henry Limited  
v Woolworths Limited

10

30th April  
1965.

We hereby give you notice to produce at the trial of this action all original letters received by Woolworths Limited, or its Solicitors, from the Plaintiff or its Solicitors, including the originals of correspondence received by Messrs. Walter Linton & Bennett from Dawson Waldron Edwards & Nicholls in 1955-1956 relative to the contract for loan dated 30th November 1955 and to the promissory notes given by the plaintiff to the Defendant in connection therewith.

20

Yours truly,  
DAWSON WALDRON EDWARDS & NICHOLLS

Letter Dawson  
Waldron  
Edwards & Co.  
to Stephen  
Jaques &  
Stephen

M

30th April, 1965.

Messrs. Stephen Jaques & Stephen,  
Solicitors,  
A.M.P. Building,  
CIRCULAR QUAY

30

30th April  
1965.

Dear Sirs,

Stirling Henry Limited v  
Woolworths Limited

Contd.

With reference to discovery and inspection of documents herein, we have served you with a list of the Plaintiff's documents which the Defendant is entitled to inspect relative to the issue of liability. There seems at this stage no point in the plaintiff giving discovery on the issue of damages until the question of admission has been clarified.

40

5/4.

10 With regard to the list of documents served on us by you, we have been advised that the Plaintiff is entitled to additional discovery. The Plaintiff requires discovery of the Minutes of Directors meetings of the Defendant during 1955-1956, and in 1961 in which the arrangements between the parties for the establishment of the hosiery mill, for the loan of certain moneys, and for the sale and purchase of hosiery are referred to. The existence of at least some of these Minutes is evidenced in documents in the possession of the Plaintiff.

20 The Plaintiff also requires discovery of the Defendant's records showing the qualities and quantities of fully fashioned hosiery purchased by the Defendant otherwise than from the Plaintiff during the calendar years 1961, 1962, 1963 and in the first 6 months of 1964, together with prices paid therefor including any discounts allowed or allowable, together with all documents and memoranda recording the prices at which manufacturers other than the Plaintiff were prepared to supply fully fashioned hosiery to the Defendant during such periods, and the qualities and quantities involved.

We would be glad if you could arrange for these matters to be attended to.

Yours truly,

30 DAWSON WALDRON EDWARDS & NICHOLLS

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Dawson Waldron  
Edwards & Co.  
to Stephen  
Jaques &  
Stephen

30th April  
1965.

Contd.

Plaintiff's  
Exhibits

M

30th April, 1965.

Exhibit "A"

Letter Dawson  
Waldrón Edwards  
& Co. to  
Stephen Jaques  
& Stephen

Messrs. Stephen, Jaques & Stephen,  
Solicitors,  
A.M.P. Building,  
CIRCULAR QUAY.

Dear Sirs,

10

30th April  
1965

re STIRLING HENRY LTD. v. WOOLWORTHS LTD.

We have been advised that the Plaintiff for the purpose of preparing for trial is entitled to further and better particulars of the allegations in paragraph 7 of the Defendant's Points of Defence.

Accordingly we would be glad if you could supply us with the following particulars :-

- (a) Was the said refusal express or implied. 10
- (b) If implied state the facts and circumstances relied upon as giving rise to the implication.
- (c) If express was the said refusal
  - (i) wholly oral
  - (ii) wholly in writing
  - (iii) partly oral and partly in writing.
- (d) If wholly or partly in writing identify the documents relied upon.
- (e) If wholly or partly oral state when, where and between whom the oral refusal was communicated. 30
- (f) What was the substance of any oral refusal by or on behalf of the plaintiff.
- (g) Give particulars of any failure by the Plaintiff not covered by the answers to the above.

Yours truly,  
DAWSON WALDRON EDWARDS & NICHOLLS.

M

30th April, 1965.

Plaintiffs  
Exhibits

Exhibit "A"

Messrs. Stephen Jaques & Stephen,  
Solicitors,  
A.M.F. Building,  
CIRCULAR QUAY.

Letter Dawson  
Waldron  
Edwards & Co.  
to Stephen  
Jaques &  
Stephen

10 Dear Sirs,

Stirling Henry Limited v  
Woolworths Limited

30th April  
1965.

We refer to your letter of 28th instant with  
enclosures.

20 The agreement dated 30th November, 1955 and  
the telegram dated 12th December, 1963 were in  
fact included in our list of documents being  
numbered 4 and 61 respectively.

We now forward herewith photostat copies of  
documents Nos. 2 and 3, 5 to 14 inclusive, 16, 21  
to 42 inclusive, 45 to 47 inclusive (document No.  
48 being included in your list as document No.13)  
50 and 63.

Yours truly,  
DAWSON WALDRON EDWARDS & NICHOLLS

encs.

M

30

5th May 1965.

Letter Dawson  
Waldron  
Edwards & Co.  
to Stephen  
Jaques &  
Stephen

Messrs. Stephen Jaques & Stephen,  
Solicitors,  
A.M.F. Building,  
CIRCULAR QUAY.

5th May 1965

Dear Sirs,

Contd.

re STIRLING HENRY LTD. v. WOOLWORTHS LTD.

40 We hereby give you notice to inspect and  
admit for the purposes of the above action the  
following documents, subject to relevance:

Plaintiff's Exhibits

Exhibit "A"

Letter Dawson Waldron Edwards & Co. to Stephen Jaques & Stephen

5th May 1965

Contd.

(a) The agreement between the parties dated 30/11/55 referred to in the further and better particulars furnished by the Plaintiff. The Defendant is asked to admit that this agreement was duly executed by it.

(b) The Promissory Notes dated respectively 31st March, 1965, which were given by the Plaintiff to the Defendant, and which purport to be endorsed on behalf of the Defendant. The Defendant is asked to admit these endorsements.

10

(c) The insurance certificates in the joint names of the Plaintiff and Defendant which were issued in respect of the machinery bought by the Plaintiff out of the proceeds of the loan from the Defendant. The Defendant is asked to admit these certificates without formal proof.

20

We also have to request that the Defendant admit for the purposes of this action the truth and correctness of the matters set forth in the report of Messrs. Walmsley Cowley & Co., accountants to Woolworths Limited of 6/11/63 and attached schedules. In other words subject to any objection on the ground that the facts and opinions therein stated are irrelevant, they shall be admitted as correct by both parties.

Failing your consent to this course we will apply to the Commercial Causes Judge to direct the Defendant to admit the report and schedules pursuant to Section 6 of the Commercial Causes Act.

30

We also have to request that the Defendant admit for the purposes of this action the truth of the matters set forth in the first part of the Schedule to the Plaintiff's letter to the Defendant of 1/8/63. The Defendant is asked to admit the truth of the material in the Schedule down to and including "Proposed alterations from 1/10/63 as suggested by you". The gauge of the 15 and 30 denier stockings therein referred to was 60 gauge and 51 gauge respectively.

40

The Defendant is also asked to admit that the

retail prices of 15 denier, 30 denier and mesh fully fashioned stockings sold by it between August 1, 1963 and June 30, 1964 remained at 5/6, 6/11 and 7/11 respectively. If the accuracy of this requested admission is denied by the Defendant we would be glad if you would advise us of the retail prices which the Defendant claims it sold such stockings from 1st August, 1963 and 30th June, 1964, as we may be able to obtain instructions to agree on these figures.

Plaintiff's Exhibits

Exhibit "A"

Letter  
Dawson Waldron  
Edwards & Co.  
to Stephen  
Jacques &  
Stephen

5th May 1965

Contd.

Failing your agreement to admit these matters, or any alternative figures agreed upon we will seek orders that the Defendant be directed to admit them.

We furnished you with a schedule of machinery purchased by the Plaintiff for its hosiery mill between 16/11/55 and 11/10/58 under cover of our letter of 29/12/64 furnishing further and better particulars of the Plaintiff's claim. We would request that the Defendant admit the correctness of the information therein stated. Our client is of course prepared to make its records available to a representative of your firm, or of the Defendant's accountants so that the Defendant can verify the accuracy of these figures.

We are also obtaining a further schedule of machinery purchased by the Plaintiff for its hosiery mill between 31/10/59 and 1963, and a similar admission will be sought as to this schedule in due course. It will of course be much shorter than the schedule referred to above.

We attach hereto a schedule showing:-

- (a) Depreciation as per the Plaintiff's accounts.
- (b) Depreciation as per the Plaintiff's taxation returns.
- (c) Net profit or loss from the Plaintiff's hosiery mill.
- (d) Gross profit or loss from the Plaintiff's hosiery mill.
- (e) The indirect manufacturing expenses and

Plaintiff's  
Exhibits

Exhibit "A"

Letter  
Dawson Waldron  
Edwards & Co.  
to Stephen  
Jaques &  
Stephen

selling distribution and administration expenses charged to the hosiery mill and representing the difference between gross and net profit for the mill for the periods ending 30/6/56 to 30/6/64 inclusive.

The written down value of the hosiery plant and machinery for tax purposes, and in the Company's Accounts as at the dates set out below were as follows :-

	<u>Company Accounts</u>	<u>Taxation Purposes</u>
5th May 1965		
Contd.		
	30/6/63	£47,340
	31/12/63	£34,491
	30/ 6/64	£42,902
		£30,611
		£38,464
		£28,671

The Defendant is requested to admit the correctness of the information set forth in the schedule, and in the above Table. A representative of your firm or of the Defendant's accountants is at liberty to inspect the Plaintiff's records to verify the above matters. At the same time the Defendant is asked to admit that the mill building itself cost the Plaintiff £22,520. 6. 6. The Defendant is also invited to verify the correctness of this figure in the manner referred to above.

The Plaintiff will if necessary make application to compel the admission of this information.

We await your reply.

Yours truly,

DAWSON WALDRON EDWARDS & NICHOLLS

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Plaintiff's Exhibits

Exhibit "A"

Schedule of depreciation net profit or loss indirect manufacturing expenses etc.

Undated.

Year Ended

Depreciation Charged as per Stirling Henry A/cs.

Depreciation as per Taxation returns

Net Profit or Loss for Year

Proportion Manufacturing Expenses excluding Direct expenses

Selling, Distribution & Administration expenses

Gross Profit or Loss (Direct overheads, absorbed)

S T I R L I N G H E N R Y L I M I T E D  
H O S I E R Y M I L L

	30/6/56	30/6/57	30/6/58	30/6/59	30/6/60	30/6/61	30/6/62	30/6/63	30/6/64
Depreciation Charged as per Stirling Henry A/cs.	£ 3255	£ 19990	£ 20669	£ 25010	£ 20358	£ 16549	£ 13446	£ 10925	£ 8876
Depreciation as per Taxation returns	3255	19990	31003	27699	21498	16672	12922	10013	5820
Net Profit or Loss for Year	10675	33217	36811	53938	42447	36154	46790	36188	LOSS 14860
Proportion Manufacturing Expenses excluding Direct expenses	3204	13664	16156	18758	18779	18816	18653	19319	12771
Selling, Distribution & Administration expenses	1066	22700	25844	29265	27684	23981	27668	21729	21772
Gross Profit or Loss (Direct overheads, absorbed)	7305	69581	78811	101961	89910	78951	93111	77236	19683

Plaintiff's  
Exhibits ,

STEPHEN, JAQUES & STEPHEN  
Solicitors & Notaries

Exhibit "A"

A.M.P. Building,  
Circular Quay,  
Sydney, Australia.

Letter Stephen  
Jaques &  
Stephen to  
Dawson Waldron  
Edwards & Co.

4/SJH

Your ref. MKT

3rd June 1965.

Messrs. Dawson Waldron Edwards & Nicholls,  
Solicitors,  
44, Martin Place,  
SYDNEY.

10

Contd.

Dear Sirs,

re Woolworths Limited ats  
Stirling Henry Limited

We refer to your several letters dated 30th April in connection with this matter and, so far as discovery is concerned we are instructed that the only references in the Minutes of Directors Meetings of the defendant during 1955/1956 and in 1961 which relate to the matters referred to by you occur in meetings held on the 15th November, 1955 and the 22nd November, 1955, and copies of such minutes are enclosed herewith.

20

So far as the other matters of which you seek discovery are concerned we are arranging for these records to be made available and will let you know as soon as you may inspect the same.

So far as your request for particulars of the allegations in paragraph 7 of the Points of Defence is concerned we reply as follows :-

30

- (a) Both.
- (b) The failure of the plaintiff during the year 1963 and, in particular, during and after August, 1963, to supply to the defendant 75% of its requirements in fully-fashioned women's hosiery or 50,000 dozen pairs of stockings per year whichever was the greater at market prices;

- (c) Partly oral and partly in writing. Plaintiffs Exhibits
- (d) The writing is contained in all correspondence and telegrams between the parties and their solicitors as discovered by the parties from and after the 13th August, 1963. Exhibit "A"  
Letter Stephen Jaques & Stephen to Dawson Waldron Edwards & Co.  
3rd June 1965
- 10 (e) The defendant relies upon the discussions referred to in the correspondence and telegrams to which references is made in (d) above and, in particular discussions which occurred at meetings between Messrs. Millist, Cooper, Wainberg and Stockford on 12th August, 1963, 22nd August, 1963 and 27th August, 1963, and on 11th and 14th November, 1963. The defendant also relies upon discussions at a meeting between Mr. Wainberg and Mr. Stockford and Mr. Kelly and Mr. Millist on the 28th August, 1963. Contd.
- 20 (f) You are not entitled to this.
- (g) See (b) above.

Yours faithfully,  
STEPHEN JAQUES & STEPHEN

Extract from Minutes of Meeting of Board of Directors of Woolworths Limited held on the 15th November, 1955.

Extract from Minutes of Board Meetings of Woolworths Limited

STIRLING HENRY - PROPOSED ADVANCE:

30 Letter dated 11th November from the Merchandise Manager was submitted and noted.

15th November 1955

It was resolved that we provide financial assistance to Stirling Henry Ltd. in the supply of Nylon Stockings for the Company as under :-

Contd.

1. We to purchase 15,000 lbs. of Nylon Yarn for approximately £40,500 and that this be placed in Bond, we to hold the Bond Warrants giving us complete title to the goods; repayment to be made by Stirling Henry Ltd. as and when the Yarn is withdrawn by them -

Plaintiff's Exhibits	such withdrawal and repayment to be completed within 15 months from February 1st, 1956, date of completion to be not later than 1st May 1957.	
Exhibit "A"		
Extract from Minutes of Board Meetings of Woolworths Limited	2. We advance the sum of £45,000 in two amounts, namely £22,500 on the 1st February 1956 and £22,500 on the 1st March 1956.  This advance to be made to cover the cost of twelve Hosiery Machines, same to be used entirely for the manufacture of Hosiery for Woolworths Limited.	10
15th November 1955		
Contd.	Repayment to be made by Stirling Henry Ltd. by giving us P/N's. over a period of 15 months, they to enter into an agreement that in the event of the default of any one P/N., the remaining unpaid P/N's. would immediately become payable.	
	3. Interest to be charged at 5½% on the amounts advanced as above.	20
	It was resolved that the said arrangements be approved subject to the completion of an agreement covering the advance to be completed by our Solicitors, Messrs. W. Linton & Bennett.	
	<u>Extract from Minutes of Meeting of Board of Directors of Woolworths Limited held on the 22nd November, 1955.</u>	
	<u>STIRLING HENRY LTD. - AGREEMENT RE ADVANCE:</u>	
22nd November 1955	The Secretary submitted Agreement in duplicate covering an advance to be made by the Company to Stirling Henry Ltd. for the purchase of Nylon Yarn to be secured by Bond Warrants to be held by the Company and covering an advance of £45,000 to be made by the Company to Stirling Henry Ltd. for the purchase of machinery to be secured by Promissory Notes to be given by Stirling Henry Ltd. with interest at the rate of 5½% p.a.	30
	Letter dated 22nd November from Messrs. W. Linton & Bennet was submitted, certifying the	40

document in order for completion under common seal.

Plaintiff's Exhibits

It was resolved that the said Agreement be signed and completed under the common seal of the Company.

Exhibit "A"  
Extract from Minutes of Board Meetings of Woolworths Limited

15th November 1955

Contd.

STEPHEN JAQUES & STEPHEN  
Solicitors & Notaries

Letter  
Stephen Jaques & Stephen to Dawson Waldron Edwards & Co.

A.M.P. Building,  
Circular Quay,  
Sydney, Australia.

16th June 1965.

Contd.

4/MC/SJH

Your Ref. Cm

Messrs. Dawson, Waldron, Edwards & Nicholls,  
Solicitors,  
44 Martin Place,  
SYDNEY, N.S.W.

16th June, 1965.

Dear Sirs,

Woolworths Limited ats Stirling  
Henry Limited

Please take notice that on the hearing of this matter leave will be sought to add three additional paragraphs to the Points of Defence namely :-

- "3A. The agreement between the Plaintiff and the Defendant as set forth in paragraph 3. of the Points of Defence was and is void for uncertainty and created no enforceable rights and/or obligations;
- 3B. Alternatively to paragraph 3A. the said

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20

30

Plaintiff's Exhibits

Agreement referred to in paragraph 3. of the Points of Defence created no enforceable rights and/or obligations after the first period of twelve months therein referred to and insofar as it purported to create any rights and/or obligations thereafter was void for uncertainty."

Exhibit "A"

Letter Stephen Jaques & Stephen to Dawson Waldron Edwards & Co.

Yours faithfully,

10

16th June 1965

STEPHEN JAQUES & STEPHEN

Contd.

Letter Dawson Waldron Edwards & Co. to Stephen Jaques & Stephen

M.  
4/SJD.

10th November, 1965.

Messrs. Stephen Jaques & Stephen, Solicitors, A.M.P. Building, Circular Quay, SYDNEY.

10th November 1965.

20

Contd.

Dear Sirs,

Stirling Henry Limited  
-v- Woolworths Limited

We refer to our letter to you of the 30th April 1965 and 5th May 1965 and to your letter to us of 3rd June 1965 and to the writer's subsequent telephone conversation with Mr. Howard.

We confirm that your client is prepared to admit the documents referred to on Page 1 of our letter to you of 5th May 1965.

30

Although you have supplied us with Minutes of Directors Meetings of the Defendant during 1955/1956 and in 1961 your client has not discovered its records showing qualities and quantities of fully fashioned hosiery purchased by it other than from our client in 1961, 1962 and 1963 and in the first six months of 1964 together with prices paid therefor and discounts allowed or allowable and all documents and

40

memoranda regarding the prices at which manufacturers other than the Plaintiff were prepared to supply fully fashioned hosiery to your client and the qualities and quantities involved. Nor have you indicated whether your client is prepared to admit the truth and correctness of the matters referred to in our letter of the 5th May, 1965.

Plaintiff's Exhibits

Exhibit "A"

Letter Dawson Waldron Edwards & Co. to Stephen Jaques & Stephen

10th November 1965

Contd.

10 As the action is listed for hearing on 6th December, 1965 it has now become urgent that the above matters be disposed of. Would you therefore indicate as soon as possible when discovery of the above documents can be arranged and whether your client is prepared to make the admissions sought.

Yours truly,

DAWSON WALDRON EDWARDS & NICHOLLS

M.

23rd November, 1965

20 Messrs. Stephen Jaques & Stephen,  
Solicitors,  
A.M.P. Building,  
Circular Quay,  
SYDNEY.

Letter Dawson Waldron Edwards & Co. to Stephen Jaques & Stephen

23rd November 1965.

Dear Sirs,

re: Stirling Henry Limited -v- Woolworths Limited

30 We refer to our letter of the 10th instant.

We are instructed to inform you that unless discovery is made forthwith of the documents referred to in our letter we are to apply to the Court for an Order for Discovery.

40 We assume from your delay in replying to our letters of the 30th April 1965 and the 5th May 1965 that you are prepared to make the admissions sought because if there were any dispute as to whether or not our client was entitled to seek such admissions you would no doubt have informed us before this. Would you please confirm therefore that your client is prepared to make the admissions.

Yours truly,  
DAWSON WALDRON EDWARDS & NICHOLLS.

Plaintiff's  
Exhibits -

STEPHEN JAQUES & STEPHEN  
Solicitors & Notaries

Exhibit "A"

A.M.P. Building,  
Circular Quay,  
Sydney,  
Australia.

Letter  
Stephen Jaques  
& Stephen to  
Dawson Waldron  
Edwards & Co.

4/SJH Your Ref. M.

1st December  
1965.

Messrs. Dawson, Waldron, Edwards & Nicholls,  
Solicitors,  
44 Martin Place,  
SYDNEY.

10

Contd.

1st December, 1965.

Dear Sirs,

re Woolworths Limited  
ats Stirling Henry Limited

We refer to your letter of the 5th May  
requesting certain admissions.

20

We confirm that, subject to relevance, the  
defendant is prepared to admit for the purposes  
of the action the documents listed in paragraphs  
(a), (b) and (c) on page 1 of your letter.

Dealing in order with the remaining requests  
contained in your letter, the defendant will  
admit for the purposes of the action and subject  
to relevance -

1. The truth and correctness of the matters set  
forth in the report of Messrs. Walmsley,  
Cowley & Co. dated 6th November, 1963, and  
the correctness of the figures contained in  
the annexure thereto read in the light of the  
schedule produced by Messrs. Pricstley &  
Morris from which the said annexure was  
prepared. The defendant does not admit the  
correctness of the basis upon which the figures  
and items are included in the said schedule  
and annexure.

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2. The truth of the matters set forth in the first part of the schedule to the plaintiff's letter to the defendant of the 1st August, 1963, provided that the reference in the schedule to cost refers to the cost to Woolworths Limited and not the cost of production or otherwise.
3. That the retail price of 15 denier and 30 denier fully-fashioned stockings sold by the defendant between 1st August, 1963, and 30th June, 1964, was 5/6d. and 6/11d. respectively. With regard to mesh fully-fashioned stockings, the defendant is prepared to admit that the retail price was 7/11d. between the 1st August, 1963, and November, 1963, and 6/11d. from December, 1963, to the 30th June, 1964.
4. The correctness of the information contained in the schedule of machinery forwarded under cover of your letter of the 29th December, 1964, subject to the production of an appropriate certificate from the plaintiff's auditors.
5. The correctness of items (a) and (b) in the schedule to your letter of the 5th May subject to production of an appropriate certificate from the plaintiff's auditors. As to item (c), the defendant is not prepared to admit that the figures represent the true net profit or loss. The defendant is prepared to admit the figures as being correct arithmetic additions or subtractions to and from other figures contained in the schedule. A similar comment applies with regard to item (d). As to item (e), subject to verification as to how the figures are compiled, the defendant will admit the arithmetical correctness of the figures in the schedule without requiring the production of supporting books and records. The defendant will not admit that the figures in the schedule correctly represent the appropriate expenses to be taken into account in calculating administrative, manufacturing, selling and distribution expenses or profit or loss.

Plaintiffs  
Exhibits -

Exhibit "A"

Letter  
Stephen Jaques  
& Stephen to  
Dawson Waldron  
Edwards & Co.

1st December  
1965

Contd.

Yours faithfully,  
STEPHEN JAQUES & STEPHEN

Plaintiff's  
Exhibits

PRIESTLEY & MORRIS  
Chartered Accountant

Exhibit "A"

109 Pitt Street,  
Sydney,  
New South Wales.

Letter  
Priestley &  
Morris to  
Stirling  
Henry Ltd.

1st December, 1965.

1st December  
1965.

The Secretary,  
Stirling Henry Limited,  
The Crescent,  
Flemington.

10

Dear Sir,

We hereby advise that, according to the books  
of account of your Company, the cost of the Hosiery  
Mill Building amounted to £22,520. 6. 6. as at  
30th June 1964.

Yours faithfully,

PRIESTLEY & MORRIS

Letter  
Priestley &  
Morris to  
Stirling  
Henry Ltd.

PRIESTLEY & MORRIS  
Chartered Accountant

109 Pitt Street,  
Sydney,  
New South Wales.

1st December  
1965.

1st December, 1965.

The Secretary,  
Stirling Henry Limited,  
The Crescent,  
Flemington.

20

30

Dear Sir,

We hereby advise that, according to the books  
of account of your Company, the cost of the  
hosiery plant and machinery is shown as  
£177,542. 4. 7. as at 30th June 1964.

Yours faithfully,

PRIESTLEY & MORRIS.

40

PRIESTLEY & MORRIS  
Chartered Accountants

109 Pitt Street,  
Sydney,  
New South Wales.

1st December 1965.

Plaintiff's  
Exhibits

Exhibit "A"

Letter  
Priestley  
& Morris to  
Stirling  
Henry Ltd.

1st December  
1965.

10 The Secretary,  
Stirling Henry Limited,  
The Crescent,  
Flemington.

Dear Sir,

We hereby advise that, according to the books of accounts and the income tax returns of your company, the written down values of the hosiery plant and machinery as at 30th June 1963, 31st December 1963 and 30th June 1964 were as follows :-

20	Written down Value as per Books	Written down Value as per Tax Returns
30th June 1963	47,340	34,491
31st December 1963	42,902	30,611
30th June 1964	38,464	28,671

Yours faithfully,  
PRIESTLY & MORRIS

PRIESTLEY & MORRIS  
Chartered Accountants

109 Pitt Street,  
Sydney,  
New South Wales.

1st December, 1965.

Letter  
Priestley  
& Morris to  
Stirling  
Henry Ltd.

1st December  
1965.

30 The Secretary,  
Stirling Henry Limited,  
The Crescent,  
Flemington.

40

Dear Sir,

We hereby advise that, according to the books

Contd.

Plaintiffs  
Exhibits

Exhibit "A"

Letter  
Priestley &  
Morris to  
Stirling  
Henry Ltd.

of account of your Company and as shown in the  
income tax returns of your company the following  
statement shows the annual depreciation written  
off the hosiery plant and machinery from the date  
of commencement of the hosiery mill to 30th June  
1964.

Yours faithfully,

PRIESTLEY & MORRIS

10

1st December  
1965.

Contd.

Schedule of depreciation as per books and as per income tax returns of the Plaintiffs.	<u>Year ended</u>	<u>As per Books</u>	<u>As per Income</u>	
		<u>Depreciation</u>	<u>Tax Returns</u> <u>Depreciation</u>	
	30th June 1956	3,255	3,255	20
	1957	19,990	19,990	
Undated.	1958	20,669	31,003	
	1959	25,010	27,699	
	1960	20,358	21,498	
	1961	16,549	16,672	
	1962	13,446	12,922	
	1963	10,925	10,013	
	1964	8,876	5,820	
		<hr/>	<hr/>	
		£139,078	£148,872	30
		<hr/>	<hr/>	

M.  
4/SJH.

1st December, 1965

Plaintiff's  
Exhibits

Exhibit "A"

Messrs. Stephen Jaques & Stephen,  
Solicitors,  
A.M.P. Building,  
Circular Quay,  
SYDNEY.

Letter  
Dawson Waldron  
Edwards & Co.  
to Stephen  
Jaques &  
Stephen

10 Dear Sirs,

Re: Stirling Henry Limited -v-  
Woolworths Limited.

1st December  
1965.

Please take notice that on the hearing of  
this action the Plaintiff will seek leave to  
amend its points of defence by the addition of  
certain new counts and the alteration of certain  
existing counts.

A list of the proposed amendments is  
attached.

20

Yours truly,  
DAWSON WALDRON EDWARDS & NICHOLLS

STIRLING HENRY LTD. -v- WOOLWORTHS LTD.

List of  
amendments to  
Points of  
Claim.

AMENDMENTS TO POINTS OF CLAIM

Undated.

30

4A. In the alternative to the allegations con-  
tained in paragraph 4 hereof the Plaintiff  
says that in or about the month of May 1955  
a contract was made between the Plaintiff  
and the Defendant the terms of which were  
contained in a letter from the Defendant  
to the Plaintiff dated 10th May 1955. The  
Plaintiff craves leave to refer to the said  
letter when produced as if the same were  
fully set forth herein.

4B. The contract referred to in paragraph 4A  
hereof was varied later in 1955 when at the  
Defendant's request the Plaintiff increased  
the manufacturing capacity of its new mill

Plaintiff's Exhibits	and purchased additional machinery therefor. The terms of the said variation are contained in a written contract bearing date the 30th November 1955. The Plaintiff craves leave to refer to such contract when produced as if the same were fully set forth herein.	
Exhibit "A"		
List of amendments to Points of Claim.	5. Add at the end of the existing paragraph 5	
Undated.	"or in the alternative the Defendant paid for such goods the prices fixed by the contract evidenced by the letter of 10th May 1955 as varied from time to time."	10
Contd.	5A. In the alternative to the allegations contained in paragraph 4, 4A and 4B hereof the Plaintiff says that in or about the months of July and August 1961 the existing contract between the parties was varied by a contract or in the alternative was replaced by a contract the material terms of which (inter alia) were as follows :-	20
	(a) The Defendant would henceforth purchase seventy-five per centum (75%) of its requirements or fully-fashioned women's hosiery from the Plaintiff at market prices.	
	(b) If seventy-five per centum (75%) of the Defendant's requirements in any year fell below fifty thousand (50,000) dozen the Defendant would purchase from the Plaintiff at least fifty thousand (50,000) dozen pairs of stockings.	30
	(c) With regard to the remaining twenty-five per centum (25%) of the Defendant's requirements the Plaintiff would have the right of first refusal to supply to the Defendant fully fashioned hosiery at any prices less than market prices at which other manufacturers might offer such goods to the Defendant.	40
	The terms of such contract are contained in letters passing between the parties dated 27th July 1961, 27th July 1961, 1st August 1961, and	

9th August 1961. The Plaintiff craves leave to refer to such letters when produced as if the same were fully set forth herein.

Plaintiff's Exhibits

Exhibit "A"

6. At all material times the Plaintiff was ready, willing and able to perform on its part the contract between the parties.

List of amendments to Points of Claim.

10 7. All things happened all times elapsed and all conditions were fulfilled necessary to entitle the Plaintiff to performance by the Defendant on its part of the contract between the parties.

Undated.

Contd.

8. In and about October, November and December 1963 the Defendant repudiated its contract with the Plaintiff and refused to be further bound thereby.

20 9. The Plaintiff has lost the profits it otherwise could and would have earned pursuant to the contract between the parties from the sale to the Defendant of the production of the said mill and the said mill and the machinery therein have become of no use or value to the Plaintiff.

Plaintiff's Exhibits STEPHEN, JAQUES & STEPHEN Solicitors & Notaries

Exhibit "A" A.M.P. Building, Circular Quay, Sydney, Australia.

Letter Stephen Jaques & Stephen to Dawson Waldron Edwards & Co. 4/SJH Your Ref. MRT 2nd December 1965 Messrs. Dawson, Waldron, Edwards & Nicholls, Attention MR. DAKIN

2nd December 1965. Solicitors, 44 Martin Place, SYDNEY.

Dear Sirs,

re Woolworths Limited at Stirling Henry Limited

Please take notice that at the hearing of this matter it is proposed to seek leave to amend the Points of Defence by deleting, in paragraph 4, the sub-paragraph numbered (b) and inserting in lieu thereof the following subparagraph:-

"(b) If 75% of the Defendant's requirements in any year fell below 50,000 dozen the percentage of the defendant's purchases would rise to ensure that the plaintiff received orders for not less than 50,000 dozen and in the event of the defendant's total requirements falling below 50,000 dozen the defendant would purchase from the plaintiff its said total requirements."

Yours faithfully,

STEPHEN JAQUES & STEPHEN

10

20

30



Exhibit "B"  
Auditors Certificate with  
Statements 1-3

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Priestley & Morris,  
109, Pitt Street,  
Sydney,  
New South Wales.

8th December 1965

Plaintiffs  
Exhibits  
-----  
Exhibit "B"  
Auditors  
Certificate  
with  
Statements  
1-3  
8th December  
1965

10 The Managing Director,  
Stirling Henry Limited,  
The Crescent,  
Flemington.

Dear Sir,

We have examined the attached statements numbered one to three inclusive together with the explanatory notes applicable thereto and have checked the calculations therein and the amounts extracted from the company's audited records.

20 Statement number one sets out an assessment of the results of the manufacturing and trading operation of the company's Hosiery Mill for the financial years 1956 to 1963 inclusive.

30 Whilst most of the items detailed in statements 1 and 2 are directly related to the Hosiery Mill certain items therein are estimated - viz. those costs numbered in the margin 18, 19, 20, 22, 23 and 24. These are General Factory Overheads, selling and distribution and administrative expenses, and represent allocations based upon the rates established in the cost study carried out in 1963 by Messrs. Walmsley Cowley & Co.

In our opinion the allocations numbered 18, 19 and 20 constitute fair and reasonable contributions by the Hosiery Mill towards the costs incurred by the company not directly identifiable as Hosiery Mill costs.

In this respect our opinion differs from that expressed by Messrs. Walmsley, Cowley & Co. in their

Plaintiffs  
Exhibits  
-----  
Exhibit "B"  
Auditors  
Certificate  
with  
Statements  
1-3  
8th December  
1965  
(Continued)

report of 6th November 1963 in that we feel that the company can reasonably expect all its manufacturing departments to contribute to the payment of these costs upon a fair basis of apportionment. The total direct labour costs for year 1963 in each manufacturing department have been used as the basis of apportionment and it is our opinion that the method is for practical purposes suitable for the company.

On the basis of applying the same principles as used in 1963 for the allocation of the expenses mentioned above to the prior years we consider that the net earnings set out in item 21 have been arrived at in a consistent manner and in our opinion they represent a fair assessment of the trading results of the years reviewed.

10

Yours faithfully,  
Priestley & Morris.

---

## STIRLING HENRY LIMITED

## STATEMENT 1 - MANUFACTURING AND TRADING RESULTS OF HOSIERY DEPARTMENT - 1956 TO 1963 INCLUSIVE

Plaintiffs  
Exhibits  
Exhibit "B"

Auditors Certificate with  
Statements 1-3  
8th December 1965 (continued)

Item	Account	1956	1957	1958	1959	1960	1961	1962	1963	Total
1.	SALES	10,475	222,923	253,976	287,470	272,026	233,161	271,842	213,697	1,765,570
2.	Stock at beginning	-	8,146	18,625	14,921	8,337	11,992	40,438	21,590	-
3.	Purchases	-	21,539	34,502	40,728	39,743	33,050	41,031	29,736	240,329
4.	Transfers In	7,418	37,077	38,501	13,348	17,714	17,531	4,696	-	136,285
		7,418	66,762	91,628	68,997	65,794	62,573	86,165	51,326	376,614
5.	Transfers Out	-	2,262	19,173	2,329	261	14	631	654	25,324
		7,418	64,500	72,455	66,668	65,533	62,559	85,534	50,672	351,290
6.	Stock at End	8,146	18,625	14,921	8,337	11,992	40,438	21,590	33,207	33,207
		728 Cr.	45,875	57,534	58,331	53,541	22,121	63,944	17,465	318,083
7.	LABOUR	10,842	64,301	76,028	88,274	88,371	88,547	87,778	90,904	595,045
8.	Pay-roll Tax and Workers' Compensation	386	2,118	2,489	2,864	2,821	2,830	2,805	2,903	19,216
	<u>DIRECT EXPENSES</u>									
9.	Mill Managers	1,520	3,522	3,664	3,441	1,966	2,062	2,035	2,048	20,258
10.	Dyes	119	930	964	1,198	1,154	729	847	1,134	7,075
11.	Maintenance	291	330	2,302	2,969	1,911	1,681	1,583	2,537	13,604
12.	Needles	-	675	932	594	1,431	2,270	2,465	831	9,198
13.	Royalties	-	-	-	-	-	-	-	427	427
14.	Depreciation	3,255	19,990	20,669	25,010	20,358	16,549	13,446	10,925	130,202
15.	Packing Materials	1,171	8,374	11,940	12,764	12,502	14,264	11,059	10,305	82,379
16.	Long Service Leave Provision	47 16,903	226 146,341	426 176,948	596 196,041	596 184,651	596 151,649	596 186,558	593 140,075	3,679 1,199,166
17.	<u>GROSS PROFIT</u>	Loss 6,428	76,582	77,028	91,429	87,375	81,512	85,284	73,622	566,404
17.	<u>GROSS PROFIT</u>	Loss 6,428	76,582	77,028	91,429	87,375	81,512	85,384	73,622	566,404
	<u>PROPORTION OF EXPENSES</u>									
18.	General Factory Overheads	1,992	11,816	13,971	16,221	16,239	16,272	16,130	16,705	109,346
19.	Selling and Distribution	719	4,265	5,042	5,855	5,861	5,873	5,822	6,029	39,466
20.	Administration	2,030 4,741	12,042 28,123	14,238 33,251	16,531 38,607	16,550 38,650	16,582 38,727	16,439 38,391	17,024 39,758	111,436 260,248
21.	<u>NET PROFIT</u>	Loss 11,169	48,459	43,777	52,822	48,725	42,785	46,893	33,864	306,156
	Total Expenses Audited Statement							199,278		
								157,265		
								42,013		
	Less Mediums Allowance							2,255	£39,758	
	<u>NET PROFIT ARRIVED AT CALCULATED ON BASIS AS SUGGESTED BY MESSRS. WALMSLEY, COWLEY &amp; CO.</u>									
17.	<u>GROSS PROFIT</u>	Loss 6,428	76,582	77,028	91,429	87,375	81,512	85,284	73,622	566,404
	<u>PROPORTION OF EXPENSES</u>									
22.	General Factory Overheads	1,815	10,763	12,726	14,776	14,792	14,821	14,693	15,216	99,602
23.	Selling and Distribution	684	4,059	4,800	5,573	5,579	5,590	5,541	5,739	37,565
24.	Administration	985 3,484	5,842 20,664	6,907 24,433	8,020 28,369	8,029 28,400	8,045 28,456	7,975 28,209	8,259 29,214	54,062 191,229
25.	<u>NET PROFIT</u>	Loss 9,912	55,918	52,595	63,060	58,975	53,056	57,075	44,408	375,175
	Total Expenses Audited Statement							188,734		
								157,265		
								31,469		
	Less Mediums Allowance							2,255	£29,214	

STIRLING HENRY LIMITEDSTATEMENT No. 2 - SUMMARY OF TOTAL COSTS AND TURNOVER AND PERCENTAGES YEARS 1956-1963

<u>ITEM</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>TOTAL</u>		
<u>COMPANY TOTALS</u>											
26	Material	905,865	1,149,674	959,753	913,773	975,622	711,173	717,456	526,472	6,859,788	
27	Direct Labour	695,444	734,662	818,367	831,414	934,229	886,652	748,356	718,919	6,368,043	
28	Manufacturing Expenses	257,055	287,469	315,945	335,582	353,406	346,057	304,367	257,558	2,457,439	
29	Selling and Distribution Expenses	95,641	96,362	86,491	97,983	110,594	107,966	94,847	82,146	772,030	
30	Administration Expenses	111,062	110,911	109,945	112,246	123,675	125,418	121,404	149,804	964,465	
31	Trading Profit	107,842	129,902	122,809	163,435	158,442	128,461	130,427	61,457	1,002,775	
32	Sales	£2,172,909	2,508,980	2,413,310	2,454,433	2,655,968	2,305,727	2,116,857	1,796,356	18,424,540	
33	Total Expenses	£463,758	494,742	512,381	545,811	587,675	579,441	520,618	489,508	4,193,934	
<u>PERCENTAGES</u>											
34	Material to Sales	41.69%	45.82%	39.77%	37.23%	36.73%	30.84%	33.89%	29.31%	37.23%	
35	Labour to Sales	32.00%	29.28%	33.91%	33.87%	35.17%	38.45%	35.35%	40.02%	34.56%	
36	Total Expenses to Sales	21.34%	19.72%	21.23%	22.24%	22.13%	25.13%	24.60%	27.25%	22.76%	
37	Trading Profit to Sales	4.97%	5.18%	5.09%	6.66%	5.97%	5.58%	6.16%	3.42%	5.45%	
		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
20	38	Total Expenses to Labour	66.69%	67.34%	62.61%	65.65%	62.90%	65.35%	69.57%	68.09%	65.86%
<u>TOTAL HOSIERY EXPENSES</u>											
		Direct	6,789	36,165	43,386	49,436	42,739	40,981	34,836	286,038	
		Indirect	4,741	28,123	33,251	38,607	38,727	38,391	39,758	260,248	
39			£11,530	64,288	76,637	88,043	81,389	79,708	73,227	546,286	
40	<u>PERCENTAGE HOSIERY EXPENSES TO HOSIERY SALES</u>		110.07%	28.84%	30.17%	30.63%	29.92%	34.19%	26.94%	33.44%	30.94%
41	<u>HOSIERY SALES TO TOTAL SALES</u>		.48%	8.89%	10.52%	11.71%	10.24%	10.11%	12.84%	11.90%	9.58%
30	42	<u>HOSIERY EXPENSES TO TOTAL EXPENSES</u>	2.49%	12.99%	14.96%	16.13%	13.85%	13.76%	14.07%	14.60%	13.03%
43	<u>HOSIERY EXPENSES TO HOSIERY LABOUR</u>		106.35%	99.98%	100.80%	99.74%	92.10%	90.02%	83.42%	78.61%	91.81%
44	<u>TOTAL SELLING AND DISTRIBUTION AND ADMINISTRATION EXPENSES TO TOTAL SALES</u>		9.51%	8.26%	8.14%	8.57%	8.82%	10.12%	10.21%	12.91%	9.42%
45	<u>HOSIERY SELLING AND DISTRIBUTION AND ADMINISTRATION EXPENSES TO HOSIERY SALES</u>		26.24%	7.31%	7.59%	7.79%	8.24%	9.63%	8.19%	10.79%	8.55%

Plaintiffs Exhibits

Exhibit "B"

Auditors Certificate with Statements 1-3 8th December 1965 (Continued)

STIRLING HENRY LIMITEDSUMMARY OF TOTAL SELLING AND DISTRIBUTION EXPENSES AND ADMINISTRATION EXPENSES FOR YEARS 1956 TO 1963 SUGGESTED BY MESSRS. WALMSLEY COWLEY & CO. AS NOT APPLICABLE TO HOSTERY PRODUCTION STATEMENT NO.3

<u>ITEM</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>Total</u>	
46	<u>SELLING AND DISTRIBUTION EXPENSES</u>									
	Travelling Expenses	1,492	1,167	1,071	863	724	1,227	758	915	8,217
	Car Expenses	198	180	142	248	201	149	288	417	1,823
	Depreciation on Motor Vehicles and Furniture and Fittings	786	787	624	726	499	413	99	912	4,846
	<u>ADMINISTRATION EXPENSES</u>									
	Rates and Taxes	3,792	5,591	8,035	10,639	6,418	11,196	10,077	12,729	68,477
	Salaries Administration	18,872	19,185	17,597	15,842	23,580	24,877	24,137	51,895	195,985
	Directors' Fees	2,000	1,563	1,000	1,250	1,500	1,500	1,250	1,000	11,063
47	Payroll Tax	522	519	465	427	627	659	635	1,322	5,176
	Travelling Expenses	283	169	62	455	3,686	3,487	116	3,196	11,454
	Bank Charges	1,530	1,671	2,099	2,779	2,700	2,618	2,174	1,343	16,914
	Share Registry Expenses	-	-	-	47	44	936	855	1,018	2,900
	Legal Expenses	245	445	182	107	284	2,139	1,836	1,642	6,880
	Stamp Duty	398	471	275	283	522	338	216	175	2,678
	Insurance	831	1,254	693	1,018	123	565	923	798	6,205
	Depreciation	1,564	1,276	2,110	2,361	1,982	1,920	1,760	1,159	14,132
	Subscriptions and Donations	852	926	820	756	734	659	763	696	6,206
	Sundry Expenses	839	960	1,024	892	766	1,022	778	624	6,905
		34,204	36,164	36,199	38,693	44,390	53,705	46,665	79,841	369,861
	Less Discount Received	1,874	1,701	3,536	2,991	2,916	3,321	1,953	1,363	19,655
	£	32,330	34,463	32,663	35,702	41,474	50,384	44,712	78,478	350,206

Plaintiffs Exhibits  
Exhibit "B"  
Auditors Certificate with Statements 1-3  
8th December 1965  
(Continued)

STIRLING HENRY LIMITEDSUPPORTING NOTES TO STATEMENTS 1 TO 3 INCLUSIVEPlaintiffs  
Exhibits

Exhibit "B"

Auditors  
Certificate  
with  
Statements  
1-3  
8th December  
1965  
(Continued)ItemSTATEMENT 1 - HOSIERY RESULTS

- 1 Turnover as shown in the audited financial accounts for 1956 to 1963 inclusive.
- 2 Stock on hand at commencement of financial year as shown by the audited stock sheets.
- 3 Purchases of hosiery yarn as shown by the books of account of the company.
- 4 Transfers of nylon yarn from Knitting Mill Stock to Hosiery Stock.
- 5 Transfers of nylon yarn to Knitting Mill Stock from Hosiery Stock.
- 6 Stock on hand at end of financial year as shown by the audited stock sheets.
- 7 Direct hosiery wages as shown by the books of account of the company.
- 8 Pay-roll tax and Workers' Compensation Insurance based on a calculation made from the hosiery cost survey conducted in 1963.

(a) Pay-roll Tax and  
Workers' Compensation Insurance for year ended 30th June 1963 £2,903

(b) Total hosiery labour including mill manager £92,952

Percentage of (a) to (b) = 3.1231%

This percentage was applied to the total labour for each year to arrive at the figures shown in accompanying statement.

- 9 Represents salaries paid to the mill manager and mechanic as shown by the company's records.
- 10 Dyes purchased as shown by the company's records.
- 11 Maintenance costs for replacement of parts, tools and fittings as shown by the company's records.
- 12 Knitting needles purchased as shown by the company's records.
- 13 Royalties paid on patented processes as shown by company's records.
- 14 Depreciation on plant and machinery as shown by company's records.
- 15 Packing materials for finished production including cellophane bags as shown by Company's records.
- 16 Provision for long service is the accrued liability in respect of hosiery department employees as at 30th June 1963 apportioned over the years on the basis of months of service for each employee at 30th June each year.
- 17 Manufacturing profit prior to contribution to General Factory Overheads, Selling and Distribution Expenses and Administration Expenses.
- 18 General Factory Overheads have been distributed on the basis of hosiery direct wages to total direct wages for the year ended 30th June 1963. The percentage obtained for 1963 has been applied to previous years.
- 19 Selling and Distribution Expenses have been distributed on the basis of hosiery direct wages to total direct wages. The percentage obtained for 1963 has been applied to previous years. Expenses not applicable to Hosiery have been excluded.
- 20 Administration Expenses have been distributed on the basis of hosiery direct wages to total direct wages for the year ended 30th June 1963. The percentage obtained for 1963 has been applied to previous years.

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STIRLING HENRY LIMITEDSUPPORTING NOTES TO STATEMENTS 1 TO 3 INCLUSIVE (CONTD.)Plaintiffs  
ExhibitsExhibit "B"  
Auditors  
Certificate  
with  
Statements  
1-3  
8th December  
1965  
(Continued)

21. Represents net profit after distribution of General Factory Overheads, Selling and Distribution Expenses and Administration Expenses on the basis of percentages of hosiery direct wages to total wages for the year ended 30th June 1963.

22, 23  
and 24. These items represent the General Factory Overheads, Selling and Distribution Expenses and Administration Expenses apportioned on the basis of hosiery direct wages to total wages for the year ended 30th June 1963 after eliminating from the 1963 figures those expenses suggested as not applicable to hosiery production by Messrs. Walmsley, Cowley & Co. The percentage obtained for 1963 has been applied to previous years.

10 25. Represents net profit arrived at after distribution of General Factory Overheads, Selling and Distribution Expenses and Administration Expenses on the basis of percentage of hosiery direct wages to total direct wages for the year ended 30th June 1963 after eliminating certain expenses as suggested by Messrs. Walmsley, Cowley & Co. as not being applicable to hosiery production.

STATEMENT 2

26 to 32  
inclusive. These items represent the company's expenses, turnover and trading profit for the years 1956 to 1963 inclusive as shown by the audited financial accounts.

33. Represents yearly totals of Manufacturing Expenses, Selling and Distribution Expenses and Administration Expenses.

34. Percentages of Total Material to Total Sales.

20 35. Percentages of Total Labour to Total Sales.

36. Percentages of Total Expenses to Total Sales.

37. Percentages of Trading Profits to Total Sales.

38. Percentages of Total Expenses to Total Labour.

39. Total of items 8 to 16 inclusive and items 18, 19 and 20.

40. Percentages of Hosiery Expenses to Hosiery Sales.

41. Percentages of Hosiery Sales to Total Sales.

42. Percentages of Hosiery Expenses to Total Expenses.

43. Percentages of Hosiery Expenses to Hosiery Labour.

44. Percentages of Total Selling and Distribution and Administration Expenses to Total Sales.

30 45. Percentages of Hosiery Selling and Distribution and Administration Expenses to Hosiery Sales.

STATEMENT 3

46. Selling and Distribution Expenses and Administration excluding Pay-roll Tax (Item 47) as shown by the audited financial accounts and summarised in accordance with Messrs. Walmsley, Cowley & Co.'s report.

47. Pay-roll Tax calculated at 2½% of Administration salaries and directors' fees.

"C"  
STANDING CHARGES  
SHEET

Plaintiffs Exhibits

Exhibit "C"

Standing Charges Sheet  
Undated.

STIRLING HENRY LIMITED

STANDING CHARGES

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>Total</u>
Depreciation (W.D. Value - /6/63)	15,780	15,780	14,180	45,740
Insurance				
5/9% on Buildings - Value £33,000	95	95	95	285
10      5/9% on Plant Value - W/D Value previous June      (47,340)	136	(31,560) 91	(15,780) 45	272
Rates and Taxes	1,489	1,489	1,489	4,467
Security Services	600	600	600	1,800
Maintenance - 13.9% of £3,120 (Wages)	430	430	430	1,290
Directors' Fees (apportioned on 1963 basis)	139	139	139	417
Interest Paid -				
6½% on Cost of Building £22,520	1,464	1,464	1,464	4,392
6½% on W.D. Value of Plant      (47,340)	3,075	(31,560) 2,051	(15,780) 1,026	6,152
Administration Salaries (M.D. M.M. and Secretary)				
20      13.9% of £18,000	2,502	2,502	2,502	7,506
Pay-roll Tax - 2½% of Administration Salaries, Maintenance, Directors' Fees				
(2½% of £3,071)	77	77	77	231
Sundries, covering telephone, electricity etc.	100	100	100	300
	<u>25,887</u>	<u>24,818</u>	<u>22,147</u>	<u>72,852</u>



Exhibit "D"  
Profit Basis Sheet

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Plaintiffs  
Exhibits  

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Exhibit "D"  
Profit Basis  
Sheet  
Undated

PROFIT BASIS

(1)	3 years estimated future profits @ £32,000 per annum	96,000	
	Estimated standing charges for three years as per schedule	<u>72,852</u>	
10		<u>£168,852</u>	
(2)	3 years estimated future profits @ £45,332 per annum	135,996	
	Estimated standing charges for three years as per schedule	<u>72,852</u>	
		<u>£208,848</u>	

Plaintiffs  
Exhibits  
          
Exhibit "E"  
Margin on  
Turnover  
Basis  
Sheet  
Undated

Exhibit "E"  
Margin on Turnover Basis Sheet  
                                

MARGIN ON TURNOVER BASIS

Turnover envisaged for 3 years @  
£210,225 = £630,675

- (1) If 10% is a fair return the calculation is as follows:

Turnover envisaged for 3 years @ 210,225 = 630,675 10% thereof	63,067	10
Standing charges for 3 years as per schedule	72,852	
	<u>£135,919</u>	

- (2) If 15% is a fair return the calculation is as follows:

Turnover envisaged for 3 years @ 222,612 = 667,836 15% thereof	100,174	
Standing charges for 3 years as per schedule	72,852	20
	<u>£173,026</u>	

- (3) If 20% is a fair return the calculation is as follows:

Turnover envisaged for 3 years @ 236,526 = 709,578 20% thereof	141,915	
Standing charges for 3 years as per schedule	72,852	
	<u>£214,767</u>	

Exhibit "F"  
 Calculations - Basis "B" - Based  
 on Sales

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Calculations - Basis 'B'

Based on Sales of 75,000 dozen

Cost

$$170,258 \times \frac{100}{90} = 189,175 \times 3 \quad \underline{\underline{\pounds 567,525}}$$

$$10\% = 56,752$$

Standing Charges 72,852

\pounds 129,604

10

$$170,258 \times \frac{100}{85} = 200,303 \times 3 \quad \underline{\underline{\pounds 600,909}}$$

$$15\% = 90,136$$

Standing Charges 72,852

\pounds 162,988

$$170,258 \times \frac{100}{80} = 212,822 \times 3 \quad \underline{\underline{\pounds 638,466}}$$

$$20\% = 127,693$$

Standing Charges 72,852

\pounds 200,545

Plaintiffs  
 Exhibits

Exhibit "F"

Calculations -  
 Basis "B" -  
 Based on Sales  
 Undated

## EXHIBIT "G"

Plaintiffs Exhibits

## Statement of Estimated Manufacturing Trading Distribution and Administration Costs

Exhibit "G"

For the Year ended 30th June 1964.

Assuming total production 86,000 Dozen F.F. Hosiery

Statement of  
Estimated Manu-  
facturing Trading  
Distribution and  
Administration  
Costs for year  
ended 30th June  
1964.  
Undated.

	15 Den. 60 g.	15 Den. 51 g.	15 Den. 51 g. MESH	30 Den. 51 g.	Total
Assumed Production (doz)	55,000	6,000	8,000	17,000	86,000
	£	£	£	£	£
<b>KNITTING</b>					
Cost of Materials	20180	1769	2335	6070	30354
Direct Labour	22753	2298	4413	6516	35980
Payroll Tax	569	57	110	163	899
Workers Comp. Insurance	231	23	45	66	365
SUB TOTAL	43733	4147	6903	12815	67598
<b>DYEING</b>					
Dyes & Chemicals	671	74	98	207	1050
Direct Dyeing Labour	6898	694	1340	1970	10902
Payroll Tax	172	17	33	49	271
Workers Comp. Insurance	70	7	14	20	111
SUB TOTAL	51544	4939	8388	15061	79932
<b>MANUFACTURING EXPENSES</b>					
Salary Mill Manager	1249	126	242	358	1975
Direct & Indirect Finishing Labour	24120	2434	4680	6903	38137
Payroll Tax	634	64	123	182	1003
Maintenance Plant & Machinery	1485	150	288	425	2348
Needles & Elements	486	49	94	140	769
Packing Materials	6032	609	1170	1728	9539
Workers Comp. Insurance	257	26	50	74	407
Long Service Leave	901	91	175	258	1425
Depreciation - Hosiery Plant	5613	567	1089	1607	8876
SUB TOTAL DIRECT COSTS	92321	9055	16299	26736	144411
<b>OTHER MANUFACTURING EXPENSES</b>					
Electricity	2060	208	399	589	3256
Coal	1420	143	275	407	2245
Water Consumption	237	24	46	68	375
General Co. Factory Mtce.	379	38	74	109	600
General Co. Mtce. Wages	1363	138	265	390	2156
Manufacturing Salaries	2577	260	500	738	4075
Payroll Tax on above	100	10	19	29	158
Security Services	379	38	74	109	600
Staff Advertising	18	2	3	5	28
Printing & Stationery	63	7	12	18	100
Medical Expenses	16	2	3	5	26
Personal Expenses	23	2	4	6	35
Other Insurance	675	68	131	193	1067
Other Expenses	12	1	3	4	20
SUB TOTAL ex FACTORY COSTS	101643	9996	18107	29406	159152
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>					
Warehouse Wages	1153	117	225	332	1827
Warehouse Salaries	1332	134	258	381	2105
Payroll Tax	62	6	12	18	98
Truck Expenses	116	12	22	33	183
Outward Freight & Cartage	756	76	147	217	1196
Insurance	137	14	27	39	217
Allowance for Mediums	1320	133	256	378	2087
<b>ADMINISTRATION EXPENSES</b>					
Discount Allowed	3088	312	599	884	4883
Audit Fees	197	20	38	56	311
Telephone	76	8	15	22	121
Postage Telephone & Cable	96	9	18	27	150
Interest Paid	3782	382	733	1083	5980
Printing & Stationery	228	23	44	65	360
SUB TOTAL - COST PRIOR TO GENERAL OVERHEADS	113986	11242	20501	32941	178670
<b>GENERAL OVERHEAD</b>					
Travelling Expenses	74	7	14	21	116
Car Expenses	30	3	6	8	47
Depreciation Motor Vehicles etc.	80	8	16	23	127
Rates & Taxes	941	95	183	270	1489
Salaries - Administration	4220	425	818	1208	6671
Director's Fees	88	9	17	25	139
Payroll Tax	107	11	21	31	170
Travelling Expenses	304	31	59	87	481
Bank Charges	177	18	34	51	280
Share Registry Expenses	89	9	17	26	141
Legal Expenses	142	14	27	41	224
Stamp Duty	15	2	3	4	24
Insurance	303	31	59	87	480
Depreciation Office Machines	100	10	19	29	158
Subscriptions & Donations.	57	6	11	16	90
Sundry Expenses	57	6	11	16	90
Discount Received	111	11	22	32	176
<b>TOTAL COST</b>	<b>120881</b>	<b>11938</b>	<b>21838</b>	<b>34916</b>	<b>189573</b>

COST PER DOZ. 43/11.481 39/9.520 54/7.140 41/0.932 44/1.040  
10% Profit.

£18957

EXHIBIT "H"Statement of Estimated Manufacturing Trading Distribution and Administration CostsPlaintiffs  
Exhibits

For the Year ended 30th June 1964

Assuming total production 75,000 F.F. Hosiery

15 Den. 60 g. 15 Den. 51 g. 15 Den. 51 g. 30 Den 51 g. Total

Exhibit "H"

Statement of  
Estimated Manu-  
facturing  
Trading Distri-  
bution and Admini-  
stration Costs  
for year ended  
30th June 1964.  
Undated.

	15 Den. 60 g.	15 Den. 51 g.	15 Den. 51 g.	30 Den 51 g.	Total
	£	£	£	£	£
Assumed Production (doz)	47,966	5232	6976	14,826	75,000
<u>MESH</u>					
<u>KNITTING</u>					
Cost of Material	17599	1542	2037	5293	26471
Direct Labour	19843	2004	3849	5682	31378
Payroll Tax	496	49	96	143	784
Workers Comp. Insurance	201	19	39	59	318
SUB. TOTAL	38139	3614	6021	11177	58951
<u>DYEING</u>					
Dyes & Chemicals	585	65	86	180	916
Direct Dyeing & Labour	6015	605	1169	1719	9508
Payroll Tax	150	15	29	44	238
Workers Comp. Insurance	62	6	12	16	96
SUB. TOTAL	44951	4305	7317	13136	69709
<u>MANUFACTURING EXPENSE</u>					
Salary-Mill Manager	1249	126	242	358	1975
Direct & Indirect Finishing Labour	21035	2122	4081	6021	33259
Payroll Tax	525	52	102	152	831
Maintenance Plant & Machinery	1295	130	251	372	2048
Needles & Elements	423	42	83	123	671
Packing Materials	5261	531	1020	1507	8319
Workers Comp. Insurance	213	21	42	61	337
Long Service Leave	786	80	153	224	1243
Depreciation Hosiery Plant	5613	567	1089	1607	8876
SUB. TOTAL DIRECT COSTS	81351	7976	14380	23561	127268
<u>OTHER MANUFACTURING EXPENSES</u>					
Electricity	1797	182	343	513	2840
Coal	1239	125	240	354	1958
Water Consumption	207	21	40	59	327
General Co-Factory Mtce.	379	38	74	109	600
General Co-Mtce. Wages	1363	138	265	390	2156
Manufacturing Salaries	2577	260	500	738	4075
Payroll Tax	100	10	19	29	158
Security Services	379	38	74	109	600
Staff Advertising	15	1	3	5	24
Printing & Stationery	63	7	12	18	100
Medical Expenses	16	2	3	5	26
Personnel Expenses	23	2	4	6	35
Other Insurance	675	68	131	193	1067
Other Expenses	10	1	3	3	17
SUB. TOTAL EX FACTORY COSTS	90194	8869	16096	26092	141251
<u>SELLING &amp; DISTRIBUTION EXPENSES</u>					
Warehouse Wages	1153	117	225	332	1827
Warehouse Salaries	1332	134	258	381	2105
Payroll Tax	62	6	12	18	98
Truck Expenses	116	12	22	33	183
Outward Freight & Cartage	660	66	123	189	1043
Insurance	120	12	22	35	189
Allowance for Mediums	1151	115	224	330	1820
<u>ADMINISTRATION EXPENSES</u>					
Discount Allowed	2693	271	522	772	4258
Audit Fees	197	20	38	56	311
Telephone	76	8	15	22	121
Postages Telephone & Cable	96	9	18	27	150
Interest Paid	3782	382	733	1083	5980
Printing & Stationery	228	23	44	65	360
SUB. TOTAL COST PRIOR TO					
<u>GENERAL OVERHEADS</u>	101860	10044	18357	29435	159696
<u>GENERAL OVERHEADS</u>					
Travelling Expenses	74	7	14	21	116
Car Expenses	30	3	6	8	47
Depreciation Motor Vehicles etc.	80	8	16	23	127
Rates & Taxes	941	95	183	270	1489
Salaries Administration	4220	425	813	1208	6671
Directors' Fees	88	9	17	25	139
Payroll Tax	107	11	21	31	170
Travelling Expenses	304	31	59	87	481
Bank Charges	177	18	34	51	280
Share Registry Expenses	89	9	17	26	141
Legal Expenses	142	14	27	41	224
Stamp Duty	15	2	3	4	24
Insurance	303	31	59	87	480
Depreciation Office Machines	100	10	19	29	158
Subscriptions & Donations	57	6	11	16	90
Sundry Expenses	50	4	9	15	78
Discount Received	98	9	19	27	153
TOTAL COST	108539	10718	19651	31350	170258
Cost per Doz. Pairs	45/3.01	40/11.65	56/4.07	42/3.49	45/4.83

## Exhibit "J"

Letter Stirling Henry Limited to  
Mr. Devereux dated 3rd  
December 1963

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Plaintiffs  
Exhibits

Exhibit "J"

Mr. Devereux,  
Messrs. Stirling Henry Ltd.  
BRISBANE.

3rd December 1963

Letter  
Stirling Henry  
Limited to Mr.  
Devereux.  
3rd December  
1963

Dear Sirs,

10 Under separate cover we have air expressed  
samples of full fashioned hosiery as follows:-

15 Denier 60G	3 pairs	Size 9	47/1
30 Denier 51G	3 pairs	Size 9½	44/6
35 Denier Mesh	3 pairs	Size 9	59/5

We want you to offer these to the trade at the prices stated and write us a short report on the Buyers reaction to this. The report should be as this example:-

COMPANY: J. SMITH LTD.

BUYER: MRS JONES

20 (a) Not interested.  
(b) May be for a very small quantity in three months.

It is important that our approach must be based on the following points and they must be stressed very strongly to the Buyers, in fact the following is practically the sales talk to follow:-

30 We may be in a position shortly to offer you full fashioned hosiery. We are making three styles (as samples) and would appreciate knowing if you would be interested in purchasing them at the quoted prices. We have a large production so any advice of what quantities you can handle will be appreciated.

If you are not clear on any points please phone writer before operating.

Yours faithfully,  
STIRLING HENRY LTD.  
A.J. Stopford.  
MERCHANDISE MANAGER.

Plaintiffs  
Exhibits

Exhibit "J"

Letter  
Stirling  
Henry Limited  
to Mr. Devereux  
3rd December  
1963  
(Continued)

P.S. There is no identification mark on any of these stockings, each style has a band around the  $\frac{1}{4}$  dozen.

Sent to Mr. Munn as well

Letter  
A.J. Stoppard  
to Mr. Munn  
3rd December  
1963

Letter A.J. Stopford to Mr.  
Munn dated 3rd December 1963

Mr. Munn,  
Messrs. Stirling Henry Ltd.  
MELBOURNE.

3rd December 1963

Dear Sirs,

10

Under separate cover we have air expressed samples of full fashioned Hosiery as follows:

15 Denier 60G	3 pairs	Size 9	47/1
30 Denier 51G	3 pairs	Size 9 $\frac{1}{2}$	44/6
35 Denier Mesh	3 pairs	Size 9	59/5

We want you to offer these to the trade at the prices stated and write us a short report on the Buyers reaction to this. The report should be as this example:-

COMPANY: J. SMITH LTD. BUYER: MRS JONES 20

- (a) Not interested.
- (b) May be for a very small quantity in three months.

It is important that our approach must be based on the following points and they must be stressed very strongly to the Buyers, in fact the following is practically the sales talk to follow:

We may be in a position shortly to offer you full

fashioned hosiery. We are making three styles (as samples) and would appreciate knowing if you would be interested in purchasing them at the quoted prices. We have a large production so any advice of what quantities you can handle will be appreciated.

If you are not clear on any point please phone writer before operating.

Yours faithfully,  
STIRLING HENRY LIMITED.

A.J. STOPFORD  
MERCHANDISE MANAGER

P.S. There is no identification mark on any of these stockings, each style has a band around the  $\frac{1}{4}$  dozen.

Letter A. Wainberg to F. Munn  
Dated 3rd December 1963

PJO

3rd December 1963

Mr. F. Munn,  
MELBOURNE OFFICE

Dear Mr. Munn,

It is possible that early in 1964 we will be in a position to supply Full fashioned hosiery to the trade generally, so it is important that a survey be made immediately of the Melbourne market. Bulk sales can be handled as our production potential is large, approximately 1800 dozen to 1900 dozen weekly.

Will you therefore contact retailers, show our samples, and ascertain the prospect of disposing of this quantity.

Please make every effort and do not spare time, even if it is detrimental to other matters you have on hand, to dispose of this production, and send me a detailed report including the name of the buyer and of the retailer on whom you have called.

Yours faithfully,  
STIRLING HENRY LIMITED  
A. Wainberg. Managing Director.

Plaintiffs  
Exhibits

Exhibit "J"

Letter  
A.J. Stoppard  
to Mr. Munn  
3rd December  
1963  
(Continued)

Letter A.  
Wainberg to  
F. Munn  
3rd December  
1963

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Plaintiffs  
Exhibits

Memorandum A. Wainberg to  
A.J. Stopford 3rd December  
1963

Exhibit "J"

Memorandum  
A. Wainberg  
to A.J.  
Stopford  
3rd December  
1963

FROM MANAGING DIRECTOR  
TO: MR. A.J. STOPFORD - MERCHANDISE MANAGER.

3rd December 1963

It is possible that early in 1964 we will be in a position to supply Full fashioned hosiery to the trade generally.

It is imperative that we must use our best endeavours 10 and no time must be spared, in our efforts to find a market in Sydney for our production of approximately 1800 dozen to 1900 dozen weekly. Will you therefore see that retailers in Sydney are contacted, our samples shown, and ascertain the prospect of disposing of our total production. This is so important that time must be given to it, even if this is detrimental to other matters you have on hand. Kindly arrange for me to have a detailed report of contacts made, giving 20 the name of the retailer and the buyer.

I have written to Mr. Munn and Mr. Devereux in Melbourne and Brisbane respectively instructing them to use every effort in their centres to find a market and asked them to send to me reports on their contacts also.

...A..WAINBERG.  
MANAGING DIRECTOR.

---

Memorandum A. Wainberg to  
P.D. Bennett dated 3rd  
December, 1963

Plaintiffs  
Exhibits

Exhibit "J"

FROM MANAGING DIRECTOR  
TO: MR. P.D. BENNETT - SALES MANAGER

Memorandum  
A. Wainberg to  
P.D. Bennett  
3rd December  
1963

3rd December, 1963

It is possible that early in 1964 we will be in a position to supply Full fashioned hosiery to the trade generally.

- 10 It is imperative that we must use our best endeavours, and no time must be spared, in our efforts to find a market in Sydeney for our production of approximately 1800 dozen to 1900 dozen weekly. Will you therefore see that retailers in Sydney are contacted, our samples shown, and ascertain the prospect of disposing of our total production. This is so important that time must be given to it, even if this is detrimental to other matters you have on hand.
- 20 Kindly arrange for me to have a detailed report of contacts made, giving the name of the retailer and the buyer.

I have written to Mr. Munn and Mr. Devereux in Melbourne and Brisbane respectively instructing them to use every effort in their centres to find a market and asked them to send to me reports on their contacts also.

.....A. WAINBERG.....  
MANAGING DIRECTOR

Plaintiffs  
Exhibits

Exhibit "J"

Letter A.  
Wainberg  
to C.  
Devereux  
3rd December  
1963

Letter A. Wainberg to  
C. Devereux dated 3rd  
December, 1963

---

AW/PJO

Mr. C. Devereux,  
BRISBANE OFFICE.

Dear Mr. Devereux,

It is possible that early in 1964 we will be in a position to supply Full fashioned hosiery to the trade generally so it is important that a survey be made immediately of the Brisbane market. Bulk sales can be handled as our production potential is large, approximately 1800 dozen to 1900 dozen weekly.

Will you therefore contact retailers, show our samples, and ascertain the prospect of disposing of this quantity.

Please make every effort and do not spare time, even if it is detrimental to other matters you have on hand, to dispose of this production, and send me a detailed report including the name of the buyer and of the retailer on whom you have called.

Yours faithfully,  
STIRLING HENRY LIMITED.

A. WAINBERG  
MANAGING DIRECTOR.

Memorandum Stirling Henry  
Ltd. Melbourne Office to  
Mr. Stopford dated 5th  
December, 1963

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STIRLING HENRY LTD,  
MELBOURNE.

Plaintiffs  
Exhibits

Exhibit "J"

Memorandum  
Stirling  
Henry Ltd.  
Melbourne Office  
to Mr. Stopford  
5th December  
1963

Mr. Stopford

10 Hosiery: Further to your memo of 3rd  
December, I submitted our range of full  
fashioned stockings to the following clients  
and regret to advise, without any success.

G.J. Coles & Co - Mr. F. Woods - No  
interest at all.

E.C. Hattam Dept. Stores - Mr. W.  
Dawson - No  
interest at all.

Myer (Melbourne) Ltd. - Mr. A. Mc  
Leod - No  
interest at all.

20 Daraads Ltd. - Mrs. Dunlop - No  
interest at all.

Regards,

F. MUNN

Plaintiffs  
Exhibits

Exhibit "J"

Letter Stirling  
Henry Ltd.  
Brisbane Office  
to their Sydney  
Office  
6th December  
1963

Letter Stirling Henry Ltd.  
Brisbane Office to their  
Sydney Office dated 6th  
December 1963

---

STIRLING HENRY LTD,  
BRISBANE.

6th December, 1963.

Attention Mr. Stopford:

Messrs. Stirling Henry Ltd.,  
The Crescent,  
Flemington,  
SYDNEY.

10

Dear Sir,

In response to your letter of December 3rd, we  
submit the attached brief notes on our hosiery  
survey.

Yours faithfully,

C. DEVEREUX

HOSIERY SURVEY

6.12.1963

FIRMBUYER15 Denier 60G30 Denier 51G15 Denier Mesh

Waltons Stores

Merchandise  
Manager -  
Mr. Roach.

Buying similar line when required for promotion selling at 39/- a dozen. Does not stock fully fashioned in this price range other than during sales promotions.

Our price of 44/6 satisfactory, now factory, now paying approx. 48/- but sales only about 25 dozen monthly.

Buying small quantities at 54/- a dozen. Singly boxed.

10

McWhirters Ltd.

Merchandise  
Directors -  
Mr. Purdy &  
Mr. Le  
Praik.

Can buy if required at 38/- 39/-. States not interested in fully fashioned.

Our price okay. Winter sales approx. 20 dozen monthly.

Can buy 54/56/-. Sales negligible in fully fashioned.

20

Finney Isles

Miss  
Knowles

Promotion line only, buying at 36-39/-.

Our price is good. Sales would not exceed 50 dozen in 12 months.

Can buy as low as 54/-; singly boxed. Fully fashioned not a free selling line.

Berry and  
Roberts

Miss Lewis

Selling similar line retail 3/11½ (Cost approx. 36/-) Buys about 10 dozen a month

Price okay. Buys approx. 10 dozen monthly.

Buys small quantities, individually boxed at 56/-.

30

Bayards

Mrs. Mills

Used only for promotion in 20 dozen lots. Sells 3/11½ (Costing approx. 36/-).

Price okay, but only buys 30 doz. three or four times yearly.

Not conversant with present values as she is interested only in singly boxed, seamless.

Plaintiffs  
Exhibits

Exhibit "J"

Hosiery Survey  
Sheet  
6th December  
1963

Exhibit "J"

Hosiery Survey  
Sheet  
6th December  
1963  
(Continued)

6.12.63

HOSIERY SURVEY (Continued)

SUMMARY

Buyers state generally that low priced hosiery is a highly competitive field. The advantage appears to be held by the manufacturers who offer hosiery in a wide price range. In other words they make their profit on the higher priced merchandise, and are content to sell the cheaper hose near their cost as an advertising medium.

---

Letter Stirling Henry Ltd.  
Brisbane Office to Sydney  
Office dated 17th December  
1963

---

STIRLING HENRY LTD.,  
BRISBANE.

Plaintiffs  
Exhibits

Exhibit "J"

Letter Stirling  
Henry Ltd.  
Brisbane Office  
to Sydney Office  
17th December  
1963

To: Messrs. Stirling Henry Ltd.,  
The Crescent,  
Flemington,  
SYDNEY.

17th December 1963

10

Dear Sir,

In response to your request of the 3rd  
instant, I wish to submit the attached summary  
of our Brisbane Hosiery Survey.

Yours faithfully,

C. DEVEREUX



Exhibit "J"

Hosiery Survey  
Sheet  
17th December  
1963

HOSIERY SURVEY 17.12.1963

<u>FIRM</u>	<u>BUYER</u>	<u>15 Denier 60.G.</u>	<u>30 Denier 51.G</u>	<u>15 Denier Mesh</u>
Waltons Stores	Merchandise Manager - Mr. Roach.	Buying similar line when required for promotion selling at 39/- a dozen. Does not stock fully fashioned in this price range other than during sales promotions.	Our price of 44/6 satisfactory, now paying approx. 48/- but sales only about 25 dozen monthly.	Buying small quantities at 54/- a dozen. Singly boxed.
McWhirters Limited	Merchandise Directors - Mr. Purdy & Mr. LePraik	Can buy if required at 38/- to 39/-. State is not interested in fully fashd.	Our price okay. Winter sales approx. 20 dozen monthly.	Can buy 54/- to 56/-. Sales negligible in fully fashioned.
Finney Isles	Miss Knowles	Promotion line only buying at 36/- to 39/-.	Our price is good. Sales would not exceed 50 dozen in 12 months.	Can buy as low as 54/-; singly boxed. Fully fashioned not a free selling line.
Barry and Roberts	Miss Lewis	Selling similar line retail 3/11½ (Cost approx. 36/-) Buys about 10 dozen a month.	Price okay. Buys approximately 10 dozen monthly.	Buys small quantities, individually boxed at 56/-
30 Bayards	Mrs. Mills	Used only for promotion in 20 dozen lots. Sells 3/11½ (Costing approx. 36/-)	Price okay, but only buys 30 dozen, three or four times yearly.	Not conversant with present values as she is interested only in singly boxed, seamless.

HOSIERY SURVEY (Continued)

<u>FIRM</u>	<u>BUYER</u>	<u>15 Denier 60.G.</u>	<u>30 Denier 51.G.</u>	<u>15 Denier Mesh</u>
McDonald & East	Mrs. Malt	Absorbs approx. 100 doz. a year. Pays 36/- to 38/- a doz. Used as a promotion line to sell at 3/11.	Buys approx. 200 doz. 30 deniers, 60 gauge yearly. Indicated that our price of 44/6 is very competitive.	Pays in vicinity of 54/- but would purchase only about 15 dozen yearly.
10 J. Briggs and Sons	Mr. Currey	Buys approx. 250 doz. a year and is paying 39/- to 42/6 per doz. Used only as a sales promotion line.	44/6 good value but purchases to negligible in this price range. Selling singly boxed, seamless, in 30 denier at 8/11.	Not interested in fully fashioned, mesh.

SUMMARY

20 Buyers state generally that low priced hosiery is a highly competitive field. The advantage appears to be held by the manufacturers who offer hosiery in a wide price range. In other words, they make their profit on the higher priced merchandise, and are content to sell the cheaper hose near their cost as an advertising medium and as an absorbent for their overhead.

---

Plaintiffs  
Exhibits

Letter P. Bennett to A. Wainberg  
dated 13th December, 1963.

Exhibit "J"

STIRLING HENRY LTD.,  
SYDNEY.

Letter P.  
Bennett to  
A. Wainberg  
13th December  
1963

13th December, 1963.

To: Managing Director Mr. A. Wainberg.

Dear Sir,

In reply to your memo of 3rd inst. covered  
the following accounts with our Full Fashioned  
Hosiery range. Set out below are the various  
Buyers comments.

10

Winns Ltd.

Mrs. Willis

Not interested. States can obtain ample supplies  
from their present suppliers.

Mark Foys Ltd.

Mr. Thompson

Fully Fashioned Stockings are being purchased  
by them from the Branded Houses. Not interested in  
another source of supply.

Grace Bros.

Miss Gray

Not interested in Fully Fashioned at the moment.

20

City Fashions.

Mr. L. Portrate

Not interested, states ample supplies on the  
market.

David Jones Ltd.

Miss McCartney

Would not look at samples. Stated has sufficient  
supplies to cater for their needs.

Waltons Ltd.

Miss Ellwood

No interest. Practically the same remarks as David  
Jones.

McDowells, Ltd.

Miss Innes

On stating we may have Fully Fashioned Hosiery to offer, her comments were, not interested in another supplier unless at ridiculous prices.

Buckingham's Ltd.

Mr. Jefferies

Away ill; not expected back until New Year.

Harolds.

Mr. J. Freeman

Showed no interest and stated would not buy unless at job prices.

Plaintiffs  
Exhibits

Exhibit "J"

Letter P.  
Bennett to  
A. Wainberg  
13th December  
1963  
(Continued)

10

Yours faithfully,  
STIRLING HENRY LTD.  
P. Bennett  
SALES MANAGER.

Plaintiffs  
Exhibits

Exhibit "J"

Memorandum  
Stirling Henry  
Ltd. Melbourne  
Office to Mr.  
Stopford.  
13th December  
1963

Memorandum Stirling Henry Ltd.  
Melbourne Office to Mr. Stopford  
Dated 13th December, 1963

STIRLING HENRY LTD.,  
Melbourne.

Mr. Stopford.

Hosiery: Since my memo of 5th Dec. I have made further calls on Stores here with our full fashioned hosiery and results have been most disappointing. Details of buyers contacted are given below:

10

- Foy & Gibson - Mr. Stennent - no interest.
- Myer Basement - Miss Deal - " "
- Bradman's Ltd - Miss Ahearn - " "
- Treadways Ltd - Mrs Russell - " "
- Buckley & Munn Ltd. - Mr. Bush" "
- Norman's Corner Stores - Miss Hawkes - no interest.
- Cox Bros. Ltd. - Mrs. Fletcher" "
- Snappy Legs Coy. Ltd. - Mrs. Somerfield - no interest.

20

Regards,

F. MUNN

Memorandum Stirling Henry Ltd.  
Melbourne Office to A. Wainberg  
Dated 13th December, 1963

Plaintiffs  
Exhibits

Exhibit "J"

STIRLING HENRY LTD.  
MELBOURNE.

Memorandum  
Stirling Henry  
Ltd. Melbourne  
Office to A.  
Wainberg  
13th December  
1963

Dear Mr. A. Wainberg,

10 Hosiery: In reference to your letter of 3rd  
December instructing me to offer our Full  
fashioned hosiery to the trade here in Melbourne,  
I wish to advise that I called on the following  
retailers and regret that results were most  
disappointing.

Myer (Melb.) Ltd.	- Mr. A. McLeod	- No interest	
G.J. Coles & Co.	- Mr. F. Woods	- "	"
Darrods Ltd.	- Mrs. Dunlop	- "	"
E.C.Hatham Dept.Stores	- Mr. W. Dawson	- "	"
Foy & Gibson Ltd.	- Mr. Stennent	- "	"
Myer Basement	- Miss Deal	- "	"
Bradmans Ltd.	- Miss Ahearn	- "	"
20 Treadways Ltd.	- Mrs. Russell	- "	"
Buckley & Turner Ltd.	- Mr. Bush	- "	"
Cox Bros. Ltd.	- Mrs. Fletcher	- "	"
Snappy Legs Coy. Ltd.	- Mr. Somerfield	- "	"
Norman's Corner Stores	- Mrs. Hawkes	- "	"

Yours faithfully,  
F.G. Munn,  
Melbourne Manager.

Plaintiffs  
Exhibits

Exhibit "J"

Memorandum  
Stirling  
Henry Ltd.  
Melbourne  
Office to Mr.  
Stopford

13th December  
1963

Memorandum Stirling Henry  
Ltd. Melbourne Office to  
Mr. Stopford 13th December  
1963

STIRLING HENRY LTD,  
MELBOURNE.

Mr. Stopford

Hosiery: In reference to your memo of 3rd Dec.  
instructing me to offer our full range of full  
fashioned hosiery to the trade here in Melbourne,  
I regret to advise that results have been most  
disappointing. I called on the following clients:-

Myer (Melb.) Ltd.	- Mr. A. McLeod	- no interest.	
G.J. Coles & Co.	- Mr. F. Woods	- "	"
Darrods Ltd.	- Mrs. Dunlop	- "	"
E.C. Hatham Dept.Stores	- Mr. Dawson	- "	"
Foy & Gibson Ltd.	- Mr. Stennent	- "	"
Myer Basement	- Miss Deal	- "	"
Bradman's Ltd.	- Miss Ahearn	- "	"
Treadways Ltd.	- Miss Russell	- "	"
Buckley & Turner Ltd.	- Mrs. Bush	- "	"
Cox Bros. Ltd.	- Mrs. Fletcher	- "	"
Snappy Legs Coy.Ltd.	- Mr. Somerfield	- "	"
Norman's Corner Stores	- Mrs. Hawkes	- "	"

Regards,

F. MUMF

10

20

627.

EXHIBIT "K"

*Blackman Ltd. by Sturis.*

NEW LINE  
 NEW ASST.

REINSTATED LINE  
 ALTERATION TO RECORDS.

BUYERS ADVICE

DEPARTMENT *Hosiery* DATE *8/1/62*

Plaintiffs Exhibits

Exhibit "K"

Buyers Advice Notes.  
8th January 1962.

States Affected	Prefix	REF. No.	SUFFIX	DESCRIPTION & ASSORTMENTS	H.M. BASIS	SELLING PRICE						CLASSIFICATION								
						ALL GPS.	1 W	2 X	3 Y	4 Z	5	V	COMM.	N.S.W.	QLD.	W.A.	S.A.	Vic/Tas.		
N	<input checked="" type="checkbox"/>	B 33		<i>Hosiery of P. Hyston 15 Den</i>																
Q	<input checked="" type="checkbox"/>			<i>Fancy sock.</i>																<i>Her</i>
W				<i>Sanitising Shade AIR FABRICE</i>	<i>8 1/2 - 10 1/2 across, 9 1/2 - 11 long</i>															
S	<input checked="" type="checkbox"/>			<i>for Shade HONEY FIVE</i>	<i>Adapt S.C.R. accordingly.</i>															

BRANCH SOURCE OF SUPPLY	SUPPLIER	STATE	COST & TERMS						FREIGHT		PACK		
			COST	UNIT	DISC ETC.	TAX	CASES	LAST COST	CASH TERMS	DEL. TERMS	WEIGHT	OP.	OUTER
N.S.W.	<i>Stirling Hosiery Ltd.</i>	<i>(60)</i>	<i>50/8</i>	<i>doz</i>			<i>Free</i>	<i>N. 30</i>	<i>FIS</i>	<i>69/12</i>			
	<i>Alternative Suppliers</i>												
QLD.	<i>Man Mound Ltd.</i>	<i>(33)</i>	<i>89/1</i>	<i>"</i>			<i>Free</i>	<i>2 1/2 - 7</i>	<i>FIS</i>	<i>"</i>			
	<i>Halspury Ltd.</i>	<i>(80)</i>	<i>48/6</i>	<i>"</i>			<i>Free</i>	<i>3 - 7</i>	<i>FIS</i>	<i>"</i>			
W.A.	<i>Universal Hosiery Mills</i>	<i>(75)</i>	<i>86/8</i>	<i>"</i>			<i>Free</i>	<i>2 1/2 - 7</i>	<i>FIS</i>	<i>"</i>			
							<i>Damage</i>	<i>57.5</i>					
S.A. ex RNDL Street	<i>Note correct suppliers, alternative suppliers and costs etc.</i>												
RNDL Street	<i>Adapt S.C.R. accordingly</i>												
VIC/TAS	<i>Bm</i>												

*Blackman*



628.

NEW LINE  
 NEW ASST.

REINSTATED LINE  
 ALTERATION TO RECORDS.

BUYERS ADVICE

*Wickham Variety Stores*

*Haring*

DEPARTMENT

DATE

*3/8/62*

Plaintiffs Exhibits

Exhibit "K"

Buyers Advice Notes.  
8th January 1962  
(continued)

States Affected	Prefix	REF. No.	SUFFIX	DESCRIPTION & ASSORTMENTS	H.M. BASIS	SELLING PRICE							CLASSIFICATION											
						ALL GPS.	1 W	2 X	3 Y	4 Z	5	V	COMM.	N.S.W.	QLD.	W.A.	S.A.	Vic/Tas.						
N	✓	B	56	Haring F/P Haring Beans																				
Q	✓			<i>Ref. Variation</i>																				
W																								
S	✓																							
BRANCH SOURCE OF SUPPLY		SUPPLIER			STATE	COST & TERMS						FREIGHT WEIGHT	PACK											
						COST	UNIT	DISC ETC.	TAX	CASES	LAST COST	CASH TERMS	DEL. TERMS		OP.	OUTER	MIN. QTY.							
N.S.W.	B5	Striking Henry Hots. (51) N.S.W. 5/16 Comp. Fan										20. FIS												
		<i>Alternative Supplier.</i>																						
QLD.	B9	Lincoln Hots (Am) Hots. (52) Hots. Comp. Fan.										2 3/4 FIS												
		Rogley's Haring Beans. (53) N.S.W. 5/16 " Fan.										3 3/4 FIS												
W.A.		<i>Alternative Supplier.</i>																						
S.A. ex RNDL Street		<i>Note Cannot Supplier. Note terms etc.</i>																						
RNDL Street		<i>Account SCL's Accounting.</i>																						
VIC/TAS	Bm																							

*See copy*

Exhibit "L"

Memorandum E.W. Cooper to  
Woolworths Limited South Melbourne  
Dated 1st June 1962

SOUTH MELBOURNE

BUYING MANAGER

1st June 1962

Reference B33 Hosiery Fully Fashioned  
Nylon 15 Denier Fairyweb

Plaintiffs  
Exhibits

Exhibit "L"

Memorandum  
E.W. Cooper to  
Woolworths Limited  
South Melbourne  
1st June 1962

10 In reply to your JMS/154, we agreed to take  
2,000 dozen per month from Beau Monde commencing  
July to December at 42/6 per dozen, as he  
indicated he would not have production available  
before then, and we have only just recently altered  
the cost on the records and to date have not  
placed any orders against these commitments but  
will do so in the near future.

Re: 15 Denier Seamfree Mediums

20 Your thoughts are noted regarding asking  
suppliers to set aside some mediums for us when  
placing perfects, and we will endeavour to  
arrange this.

Universal's representative in Sydney called  
yesterday and he had a list of mediums as follows:

474 Needle Mesh	196 dozen
400 Needle Mesh	155 "
474 Needle Plain	150 " (approximately)

All the above at a cost of 55/-.

60 Gauge Fully Fashioned Mediums  
750 dozen Cost 42/-

30 The above costs are those they are quoting  
the trade and Mr. Marrott suggested that if you  
are able to take the fully fashioned mediums,  
there may be a chance of getting the seamless

Plaintiffs  
Exhibits  
—  
Exhibit "L"  
Memorandum  
E.W. Cooper to  
Woolworths  
Limited South  
Melbourne  
1st June 1962  
(Continued)

mediums at a lower price and it is possible by the time you contact Mr. Harvey the above quantities will be different, as they are being operated on continuously. Mr. Marrott did indicate that some Sydney stores are selling the seamless mediums at 7/11 a pair after paying the above cost of 55/-.

We leave it to you to follow this matter up but we strongly suggest that you try and take some fully fashioned mediums in an endeavour to get the seamless.

10

E.W. Cooper  
Buyer.

EWC/JBH

---

Defendants Exhibits  
Exhibit "1"

Memorandum of Agreement - Woolworths  
Limited and Stirling Henry Ltd.  
Dated 10th July 1961

Defendants  
Exhibits

Exhibit "1"

Memorandum  
of Agreement  
Woolworths  
Limited and  
Stirling  
Henry Ltd.  
10th July 1961

STIRLING HENRY

Although this was discussed with you verbally, we thought it advisable to put into writing agreements made with Mr. A. Wainberg.

- 10 1. In Fully Fashioned Women's Hosiery we would draw 75% of our requirements from Stirling Henry at market prices.
2. If 75% of our requirements fall below 50,000 dozen, the percentage of purchases to rise to ensure that they receive not less than 50,000 dozen.
3. In the event of our total requirements falling below 50,000 dozen, this would be the quantity then purchased from them.
- 20 4. A contract should be placed for six months' requirements; price to be firm for six months but quantities to be reviewed each three months, giving them a six months cover at any one time.
5. We would give this Company the opportunity of quoting special prices for the 25% requirements referred to earlier.
- 30 6. Stirling Henry would have the right to sell on the open market and not confine their production to us.

Merchandise Manager

Defendants  
Exhibits

Exhibit "2"

Schedule of  
Statistical  
Information  
obtained from  
Commonwealth  
Bureau of  
Census and  
Statistics  
Undated.

Exhibit "2"

Schedule of Statistical Information  
obtained from Commonwealth Bureau  
of Census and Statistics

Paragraph 7

SCHEDULE C

AUSTRALIAN PRODUCTION STATISTICS OBTAINED FROM  
COMMONWEALTH BUREAU OF CENSUS AND STATISTICS OF FULLY  
FASHIONED AND CIRCULAR NYLON HOSIERY FROM JULY 1964,  
UNDER AND OVER 20 DENIER, UNIT DOZEN PAIRS.

YEAR	FULLY		CIRCULAR		TOTAL	10
JULY TO JUNE	FASHIONED	%		%		%
1954-55	2,050,272	92	186,134	8	2,236,406	100
1955-56	2,065,176	95	114,366	5	2,179,542	100
1956-57	2,270,974	92	195,835	8	2,466,809	100
1957-58	1,809,027	85	326,879	15	2,135,906	100
1958-59	1,847,496	77	558,741	23	2,406,237	100
1959-60	1,655,085	66	844,203	34	2,499,288	100
1960-61	1,429,435	56	1,123,774	44	2,553,209	100
1961-62	964,549	35	1,825,197	65	2,789,746	100
1962-63	852,344	25	2,549,425	75	3,401,769	100 20
1963-64	493,389	13	3,273,186	87	3,766,575	100
1964-65	275,079	7 (r)	3,934,973	93	4,210,052	100

r = revised.

## Exhibit "3"

Fully fashioned Hosiery purchased by Woolworths Limited and estimated value by them for period 4th December 1962 to 3rd December 1963 Undated.

Exhibit "3"  
WOOLWORTHS LTD.

FULL FASHIONED HOSIERY PURCHASES AND ESTIMATED COST, VALUE - PERIOD 4/12/62 to 3/12/63

<u>Ref.No.</u>	<u>Description</u>	<u>Purchases for Period</u>	<u>Doz.</u>	<u>Estimated Value</u>	<u>Supplier Qty.</u>	<u>Cost &amp; Value</u>
B29	15/51 Mesh	Stock in Warehouses 3/12/63	6722	S.Henry	500	63/6 1587
		Add Drawings by Branches 4/12/62 To 3/12/63	21511 28233	" Holeproof Kolyser	5800 1000 5000	66/6 19285 57/- 2850 55/- 13750
		Deduct Stock in Warehouses 4/12/62 <u>Purchases for Period</u>	7479 <u>20754</u>	B.Monde "	4454 4000 <u>20754</u>	55/- 12248 48/- 9600 <u>£59320</u>
B33	15/60 Plain	Stock in Warehouses 3/12/63	17963	S.Henry	56000	46/6 130200
		Add Drawings by Branches 4/12/62 To 3/12/63	94118 <u>112081</u>	" B.Monde "	4000 7500 5000	44/- 8800 42/6 15937 41/- 10250
		Deduct Stock in Warehouses 4/12/62 <u>Purchases for Period</u>	19348 <u>92732</u>	Holeproof	4200 1500 5000 9533 <u>92732</u>	39/- 8190 44/6 3337 42/6 10625 41/- 19543 <u>£206882</u>
B56	30/51 Plain	Stock in Warehouses 3/12/63	5147	S.Henry	19400	56/- 54320
		Add Drawings by Branches 4/12/62 To 3/12/63	20182 <u>25329</u>	Kolotex	865 <u>20265</u>	47/- 2033 <u>£56352</u>
		Deduct Stock in Warehouses 4/12/62 <u>Purchases for Period</u>	5064 <u>20265</u>			
		<u>Total Purchases Standard Lines</u>			<u>133752</u>	<u>£322,552</u>

Defendants  
Exhibits

Exhibit "3"

Fully fashioned  
Hosiery  
purchased by  
Woolworths  
Limited and  
estimated  
value by them  
for period 4th  
December 1962  
to 3rd December 1963  
Undated  
(Continued)

634.

Period 4/12/62 to 3/12/63 (Continued)

Ref. No.	Description	Estimated Value	
		Qty.	Cost & Value
	<u>Promotional Lines</u>		
15/51	Mesh	2146	48/- 5150
15/60	Plain Boxed	1870	47/6 4441
15/60	Plain	7886	10 15575
15/60	Plain	198	12 390
15/60	Plain	9919	39/- 19342
15/60	Plain	2874	38/- 5461
15/60	Plain	2046	37/- 3774
15/60	Plain Mediums	600	36/- 1080
30/51	Plain Mediums	800	42/- 1680
15/51	Mesh Mediums	500	44/- 1100
15/51	Plain	750	41/- 1537
<u>Total Purchases Promotional Lines</u>		29584	59530

Total Purchases Standard and Promotional 163326 £382085

Exhibit "3"

Fully fashioned Hosiery purchased by Woolworths Limited and estimated value by them for period 4th December 1962 to 3rd December 1963. Undated.

Woolworths Ltd.  
Full Fashioned Hosiery Purchases and Estimated Cost Value  
Period 3/12/63 to 1/12/64

<u>Standard Lines</u>		<u>Estimated Value of Purchases</u>	
Ref.No.	Description	Supplier	Qty. Cost & Value
B29	15/51 Mesh		
	Stock in Warehouses 3/12/64		646
	Add Drawings by Branches 3/12/63	S. Henry	200 63/6 635
	To 1/12/64	"	572 48/- 1373
		B. Monde	2964 48/- 7114
	Deduct Stock in Warehouses 3/12/63		<u>3726</u>
	<u>Purchases for Period</u>		<u>£9122</u>
B33	15/60 Plain		
	Stock in Warehouses 3/12/64	S. Henry	2500 44/- 5500
	Add Drawings by Branches 3/12/63	"	1634 39/- 3186
	To 1/12/64	B. Monde	6500 39/- 12675
		"	9000 33/6 15075
	Deduct Stock in Warehouses 3/12/63		<u>32549</u>
	<u>Purchases for Period</u>		<u>£66476</u>
B56	30/51 Plain		
	Stock in Warehouses 3/12/64	Holeproof	2600 41/- 5330
	Add Drawings by Branches 3/12/63	"	7800 39/- 15210
	To 1/12/64	"	1500 37/- 2775
		"	4015 33/6 <u>6725</u>
	Deduct Stock in Warehouses 1/12/63		<u>7095</u>
	<u>Purchases for Period</u>		<u>£16988</u>
	Total Purchases Standard Lines		<u>£92586</u>
	<u>Promotional Lines</u>		
	15/60 Plain		14603 33/6 24460
	30/51 Mediums		230 35/6 408
	15/60 Mediums		185 33/- 305



Defendants  
Exhibits

Exhibit "3"

Fully fashioned  
Hosiery  
purchased by  
Woolworths  
Limited and  
estimated  
value by them  
for period 4th  
December 1962  
to 3rd December  
1963  
Undated  
(Continued)

Period 3/12/63 to 1/12/64 (Continued)

<u>Ref. No.</u>	<u>Description</u>	<u>Estimated Value</u>	
		<u>Qty.</u>	<u>Cost &amp; Value</u>
	<u>Promotional Lines</u>		
	15/60 Mediums	213	44/- 469
	30/51 Mediums	200	42/- 420
	15/60 Mediums & Perfects	<u>564</u>	<u>37/- 1043</u>
	<u>Total Purchases Promotional Lines</u>	<u>15995</u>	<u>£27105</u>
	<u>Total Purchases Standard &amp; Promotional</u>	<u>62375</u>	<u>£119691</u>

## Exhibit "3"

Fully fashioned Hosiery purchased by Woolworths Limited and estimated value by them for period 4th December 1962 to 3rd December 1963. Undated.

WOOLWORTHS LIMITED  
FULL FASHIONED HOSIERY PURCHASES AND ESTIMATED COST VALUE  
PERIOD 1/12/64 to 5/10/65

Ref.No.	Description	Purchases for Period	Doz.	Estimated Value of Purchases
		Supplier	Qty.	Cost £ Value
B29	Standard Lines 15/51 Mesh	B.Monde	539	48/- 1294
	Stock in Warehouses 5/10/65			
	Add Drawings by Branches 1/12/64		1185	
	To 5/10/65			
	Deduct Stock in Ware- houses 1/12/64		646	
	Purchases for Period		<u>539</u>	
B33	15/60 Plain	B.Monde	15516	33/6 25989
	Stock in Warehouses 5/10/65			
	Add Drawings by Branches 1/12/64	Holeproof	16200	33/6 27135
	To 5/12/65		<u>31716</u>	<u>£55124</u>
	Deduct Stock in Ware- houses 1/12/64		1495	
	Purchases for Period		<u>31716</u>	
B56	30/51 Plain	Kolotex	930	47/- 2185
	Stock in Ware- houses 5/10/65			
	Add Drawings by Branches 1/12/64	Holeproof	3286	47/- 7722
	To 5/12/65		<u>4216</u>	<u>£9907</u>
	Deduct Stock in Ware- houses 1/12/64		973	
	Purchases for Period		<u>4216</u>	
	Total Purchases Standard Lines		<u>36471</u>	<u>£64325</u>

Defendants  
Exhibits

Exhibit "3"  
Fully fashioned  
Hosiery  
purchased by  
Woolworths  
Limited and  
estimated  
value by them  
for period 4th  
December 1962  
to 3rd December  
1963  
Undated  
(continued)

Period 1/12/64 to 5/10/65 (Continued)

Ref. No.	Description	Estimated Value	
		Qty.	Cost £ Value
	<u>Promotional Lines</u>		
	15/51 Mesh	948	36/- 1706
	15/60 Plain	4183	30/- 6274
	15/60 Plain	3825	29/6 5642
	15/60 Plain	100	28/- 140
	15/60 Plain	500	33/6 837
	30/51 Plain, Mediums	150	33/- 247
	<u>Total Purchases Promotional Lines</u>	<u>9706</u>	<u>£ 14846</u>
10	<u>Total Purchases Standard &amp; Promotional</u>	<u>46177</u>	<u>£ 79171</u>

Exhibit "4"

Comparison between prices paid by Woolworths Limited to Stirling Henry Ltd. and other Suppliers of Fully-fashioned Hosiery.

Schedule B. Ref. 33 15 Den. F/F Plain

DATE

SUPPLIERS AND COSTS

S.HENRYB. MONDEHOLEPROOFS.P.

10

JUNE 1961 Heavily Stocked May-June. Orders Deferred. Beau Monde 45/9 and Holeproof 46/6 offered per dozen. Unable to buy because of heavy stocks.

NOV. 1961 50/- - 48/6 6/11

FEB. 1962 50/- 59/- 48/6 5/11

APR. 1962 50/- 42/6 48/6 5/11

JULY 1962 48/9 42/6 46/6 5/11

DEC. 1962 46/6 42/6 44/6 5/11

JAN. 1963 46/6 42/6 42/6 5/6

20 MAY 1963 46/6 41/- 41/- 5/6

SEP. 1963 46/6 39/- 41/- 5/6

NOV. 1963 44/- 39/- 41/- 5/6

JAN. 1964 44/- 39/- 41/- 5/6

FEB. 1964 39/- 39/- 39/- 5/6

MAY 1964 - 33/6 39/- 5/6

AUG. 1964 - 33/6 37/- 5/6

SEP. 1964 - 33/6 33/6 5/6

NOV. 1964 - 33/6 33/6 4/11

Defendants Exhibits

Exhibit "4"

Comparison between prices paid by Woolworths Limited to Stirling Henry Ltd. and other Suppliers of Fully-fashioned hosiery. Undated.

Defendants Exhibits — Exhibit "4" Comparison between prices paid by Woolworths Limited to Stirling Henry Ltd. and other Suppliers of Fully-fashioned hosiery Undated.	SCHEDULE B	<u>REF. 29 15 DENIER F/F MESH</u>					
	Date	Suppliers & Costs					
		S.Henry	B.Monde	Holeproof	Charmaine	Kayser	S.P.
	Nov.1961	59/3	59/-	59/3	59/-	-	7/11
	Feb.1962	-	-	-	58/-	-	7/11
	July 1962	66/6	58/-	59/3	-	-	7/11
	Sept.1962	66/6	57/6	57/-	58/-	58/6	7/11
	Dec.1962	66/6	55/-	57/-	-	-	7/11
	Mar.1963	66/6	55/-	57/-	-	55/-	7/11
	Apr.1963	66/6	55/-	57/-	-	55/-	7/11 <sup>10</sup>
	May 1963	66/6	48/-	57/-	-	-	7/11
	Nov.1963	63/6	48/-	-	-	-	7/11
	Dec.1963	63/6	48/-	-	-	-	6/11
	Jan.1964	63/6	48/-	-	-	-	6/11
	Feb.1964	48/-	48/-	-	-	-	6/11
	May 1964	-	48/-	-	-	-	6/11
	July 1964	-	48/-	48/-	-	-	6/11

SCHEDULE B. REF 56, 30 DENIER F/F PLAIN

DATE	SUPPLIERS AND COSTS					S.P.
	S. HENRY LINCOLN	ROSSLYN	KOLOTEX	HOLEPROOF		
1956	71/-	-	-	-	NR	7/11
Apr.1957	68/6	-	-	-	NR	7/11
Oct.1957	68/6	-	-	-	NR	7/11
June 1958	67/6	60/-	62/6	-	-	7/11
Sep.1958	63/6	58/6	62/6	-	-	7/11
Oct.1958	63/6	58/6	62/6	-	-	7/11
0 Mar.1959	62/6	-	62/6	-	-	6/11
Jul.1959	62/6	-	59/-	-	-	6/11
Nov.1959	60/-	52/6	59/-	-	-	6/11
Jun.1961	60/-	-	59/-	-	-	6/11
Nov.1961	56/6	-	-	-	-	6/11
Feb.1962	56/6	-	-	-	-	6/11
Jul.1962	56/-	-	-	47/-	-	6/11
Sep.1962	56/-	-	-	47/-	-	6/11
May 1963	56/-	-	-	47/-	-	6/11
Jul.1963	56/-	-	-	47/-	-	6/11
0 Oct.1963	56/-	-	-	47/-	-	6/11
Jan.1964	56/-	-	-	47/-	-	6/11
Feb.1964	47/-	-	-	47/-	-	6/11
May 1964	-	-	-	47/-	-	6/11

Defendants  
Exhibits

Exhibit "4"

Comparison  
between  
prices paid  
by  
Woolworths  
Limited to  
Stirling  
Henry Ltd.  
and Other  
Suppliers  
of Fully-  
fashioned  
hosiery  
Undated.







DEPT. MEN'S & TEENS HOSIERY

ARTICLE HOSIERY TIE NYLON 10 DEN. 100% NYLON

9 GLOVES

m/n/c 33

(CAN REF 6362 ETC)

STATE	FOLLOWS REF. NO.		DATE	PREFIX (2)	DATE	STATE	UNIT	SELLING PRICES (3x3)							DATE	CLASSIFICATION (2)	O.P. ASSTMT.																																																																																																																																																				
	1	2						3	4	5	6	7	8	9																																																																																																																																																							
	1-1	2-W						3-X	4-Y	5-Z	6-V	7	8	9																																																																																																																																																							
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W	03	19	9	03	11/164	NT	5/6	5/6	5/6	5/6	5/6	5/6	5/6	5/6	5/6	5/6																																																																																																																																																					
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<table border="1"> <thead> <tr> <th rowspan="2">DATE</th> <th colspan="3">SOURCE OF SUPPLY (2)</th> <th rowspan="2">SUPPLIER NO. (5)</th> <th rowspan="2">STATE</th> <th rowspan="2">UNIT</th> <th colspan="2">FIRST COST (3)</th> <th rowspan="2">DISC. (4A)</th> <th rowspan="2">TAX/FREIGHT (1,1)(2),(12)</th> <th rowspan="2">LAST COST (3/2)</th> <th rowspan="2">CASH TERMS (6)</th> <th rowspan="2">DELIVERY TERMS (4)</th> <th rowspan="2">CASES/MIN. ORDER</th> <th rowspan="2">REFERENCE NUMBER</th> </tr> <tr> <th>N</th><th>Q</th><th>W</th> <th>(3)</th><th>(3)</th> </tr> </thead> <tbody> <tr> <td>3/7/64</td> <td>BS</td> <td>BB</td> <td>BP</td> <td>BM</td> <td>GM</td> <td></td> <td>37/</td> <td>DZ</td> <td>12</td> <td>EX</td> <td></td> <td>2 1/2</td> <td>AS</td> <td>12</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3/7/64</td> <td>BS</td> <td>BB</td> <td>BP</td> <td>BM</td> <td>GM</td> <td></td> <td>33/6</td> <td>DZ</td> <td>12</td> <td>EX</td> <td></td> <td>2 1/2</td> <td>AS</td> <td>12</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3/7/64</td> <td>BS</td> <td>BB</td> <td>BP</td> <td>BM</td> <td>GM</td> <td></td> <td>33/6</td> <td>DZ</td> <td>12</td> <td>EX</td> <td></td> <td>2 1/2</td> <td>AS</td> <td>12</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3/7/64</td> <td>BS</td> <td>BB</td> <td>BP</td> <td>BM</td> <td>GM</td> <td></td> <td>33/6</td> <td>DZ</td> <td>12</td> <td>EX</td> <td></td> <td>2 1/2</td> <td>AS</td> <td>12</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>																	DATE	SOURCE OF SUPPLY (2)			SUPPLIER NO. (5)	STATE	UNIT	FIRST COST (3)		DISC. (4A)	TAX/FREIGHT (1,1)(2),(12)	LAST COST (3/2)	CASH TERMS (6)	DELIVERY TERMS (4)	CASES/MIN. ORDER	REFERENCE NUMBER	N	Q	W	(3)	(3)	3/7/64	BS	BB	BP	BM	GM		37/	DZ	12	EX		2 1/2	AS	12																		3/7/64	BS	BB	BP	BM	GM		33/6	DZ	12	EX		2 1/2	AS	12																		3/7/64	BS	BB	BP	BM	GM		33/6	DZ	12	EX		2 1/2	AS	12																		3/7/64	BS	BB	BP	BM	GM		33/6	DZ	12	EX		2 1/2	AS	12																	
DATE	SOURCE OF SUPPLY (2)			SUPPLIER NO. (5)	STATE	UNIT	FIRST COST (3)		DISC. (4A)	TAX/FREIGHT (1,1)(2),(12)	LAST COST (3/2)	CASH TERMS (6)	DELIVERY TERMS (4)	CASES/MIN. ORDER	REFERENCE NUMBER																																																																																																																																																						
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Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

REMARKS: 3/7/64 ON 64 27/10/64 NEW FULL DESCRIPTION

DEPT. WOMENS • Teens to every • please ARTICLE to every 30 days 15 New Items  
Fairfield #1 No 33660/54 33 (Old Ref 03662 etc.)

STATE	THIS LINE FOLLOWS REF. NO.	DATE	SOURCE OF SUPPLY (2)	NO. OF CHAR	NAME	DESCRIPTION	PACKS		REFERENCE NUMBER					
							INNER (IN O.P.S)	OUTER (IN O.P.S)						
N	Q	W	S	V/T	COM.	DATE	STATE	SELL UNIT	SELLING PRICES (3x3)	DATE	CLASSIFICATION (2)	Q.P. ASSTMT.		
N	Q	W	S	V/T	COM.	18 Sterling Hosiery 33/11	N	44/-	DZ	12	EX	2 1/2-30	FIS	F
						Alternative								
						19 Nooleproof 33/9	V	41/-	DZ	12		2 1/2-30	FIS	F
						19 Nooleproof 33/6	V	39/-	DZ	12	EX	2 1/2-30	FIS	F
						19 Nooleproof - TD 33/9	V	39/-	DZ	12	EX	2 1/2-30	FIS	F
						ALTERNATIVE								
						BEAU MONDE 33/6	V	39/-	DZ	12	EX	2 1/2-30	FIS	F
						BEAU MONDE 33/6	V	33/6	DZ	12	EX	2 1/2-30	FIS	F

Defendants Exhibits  
Exhibit "5"  
Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

REMARKS: 5/2/64 NEW COST EFFECTIVE 1 2 64 AND NEW SUPPLIER HOKEPROOF LTD. DELETE STIRLING HENRY AS SUPPLIER, 2/25/64 NEW AVERAGE COST 2/2/64 NEW INFO

Woolworths Limited's Stock Control Records of Fully-fashioned Hosiery and Gloves.

Mail To		Dept. Wms & Leans Hosiery & Gloves		Article Hosiery F/F DyCon 15 den. Gauge		Ref. No. 03662		Variety Food	
Date		SOURCE OF SUPPLY		SUPPLIER		M/N.O. 339/60/54		Roetex	
H.O. Merch.	Date	W.A.	S.A.	W.A.	S.A.	W.A.	S.A.	Cash Terms	Del. Terms
Incident	RS	BB	BP	BM	BM	18	18	2 1/2 30	FIS
H.O. Roetex	BS	BB	BP	BM	BM	(Active)	(Active)	2 1/2 30	FIS
H.O. Rock.	BS	BB	BP	BM	BM	(Active)	(Active)	2 1/2 30	FIS
WL/Syd.	BS	BB	BP	BM	BM	18	18	2 1/2 30	FIS
WL/Vic.									
Webulk									
Adbulk									
N.S.W. Advert.									
Sftn. Advert.	1	2	3	4	5	6			
Brd. Buyer	5/6	5/6	5/6	5/6	5/6	5/6			
Melb. Buyer	5/6	5/6	5/6	5/6	5/6	5/6			
S.A. Buyer	5/6	5/6	5/6	5/6	5/6	5/6			
W.A. Buyer	5/6	5/6	5/6	5/6	5/6	5/6			
Comm. Food	5/6	5/6	5/6	5/6	5/6	5/6			
O.P.	5/6	5/6	5/6	5/6	5/6	5/6			
H.M. Basis									
Weight	0.91								
Density									
This Ref. Follows									
03665									

Mail To	Dept.	WMS, Hosiery & Gloves	Article	Hosiery F/F Nylon 15 Den. Gauge Fairweb	M/No. 338/60/54	Ref. No.	Variety	SOURCE OF SUPPLY		Supplier	State	First Cost	Unit	Diad Sales etc. Tax	Frt.	Last Cost	C.I.B.	Del. Terms	Min. Cases Out	
								NSW	Qld.											W.A.
✓	H.O. Merch.	1982						BS	BB	BP	BM	BM	18							
	H.O. Incident	6/12		STIRLING HENRY				NSW			45/6	DZ	EX				FIS	F		
	H.O. Rostex			BEAU MONDE LTD				VIC			42/6	DZ	EX				FIS	F		
✓	H.O. Rock.			HOLEPROOF LTD				VIC			42/6	DZ	EX				FIS	F		
✓	WL/Syd.																			
✓	WL/Bris.																			
✓	WL/Vic.	1983		AVERAGE COST SEE FORM 701																
✓	Wabauk	30/5	BS	STIRLING HENRY	33/11			NSW			44/6	DZ	EX				FIS	F		
	Adbaik		BS	BEAU MONDE LTD	33/6			VIC			44/6	DZ	EX				FIS	F		
	N.S.W. Advert.		BS	HOLEPROOF LTD	33/9			VIC			44/6	DZ	EX				FIS	F		
	Sthn. Advert.																			
✓	Bris. Buyer																			
✓	Melb. Buyer																			
✓	S.A. Buyer																			
✓	W.A. Buyer																			
5	Comm. Food																			
O.P.	6/12 DZ PR																			
H.M. Basis																				
Weight	0.91																			
Density																				
This Ref. Follows	03868/20																			

Remarks  
 Date 13/5/63 2/8 orders of Della will be delivered  
 15/5/63. new class for Panther NF-2.  
 16/7/63. Outstanding order will be delivered  
 29/8/63 order for Balanda will be delivered.

Defendants Exhibits  
 Exhibit "5"  
 Woolworths Limited's Stock Control Records of Fully-fashioned Hosiery and Gloves.

SEE ASST c2

Dept. WMS, HOSIERY & GLOVES

Article LADDERLESS MESH FAIRWEBS

Ref. No.

Variety SEE ASST c2

Mail To

H.O. March.	Date	SOURCE OF SUPPLY			State	First Cost	Unit	Disc. etc.	Sales Tax	Frt.	Last Cost	Cash Terms	C.I.B. Terms	Del. Terms	Cases	Min. Out.
		NSW	Qld.	W.A.												
✓	1962 6/18	BS	BB	BM	BM	VIC 55/-	PRS		EX			3 1/2	FIS	F		
		ALTERNATE														
✓	1962 3/30	BS	BB	BP	BM	VIC 57/-	PRS		EX			2 1/2	FIS	F		
✓		BS	BB	BP	BM	NSW 66/6	PRS		EX			2 1/2	FIS	F		
✓		BS	BB	BP	BM	VIC 58/-	PRS		EX			2 1/2	FIS	F		
✓		BS	BB	BP	BM	VIC 55/-	PRS		EX			2 1/2	FIS	F		
✓	1963 3/5	BS	BB	BP	BM	VIC 48/-	PRS		EX			3 1/2	FIS	F		
		ALTERNATE														
✓		BS	BB	BP	BM	VIC 57/-	PRS		EX			2 1/2	FIS	F		
✓	3/26	BS	BB	BP	BM	NSW 66/6	PRS		EX			2 1/2	FIS	F		
✓		BS	BB	BP	BM	NSW 63/6	PRS		EX			2 1/2	FIS	F		
5																

Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

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Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

Mail To	Dept.	Date	SOURCE OF SUPPLY		SUPPLIER	State	Firat Cost	Unit	Disc etc.	Diad Sales Tax	Frt.	Last Cost	Cash Terms	C.I.B. Terms	Del. Terms	Min. Out	Variety	Ref. No.
			NSW	Qld.														
H.O. Merch.																		
H.O. Indent																		
H.O. Rostex																		
H.O. Rock.																		
WL/Syd.																		
WL/Bris.																		
WL/Vic.																		
Webulk																		
Adbulk																		
N.S.W. Advert.																		
Subn. Advert.																		
Bris. Buyer																		
Melb. Buyer																		
S.A. Buyer																		
W.A. Buyer																		
Comm. Food																		
5																		
O.P.																		
H.M. Basis																		
Weight																		
Density																		
This Ref. Follows																		
75991																		

Dept. Mens Hosiery & Gloves Article  
 Hosiery 14 Nylon & Den. 51 Gauge Address, Rostex, F.M.B.E. 29  
 All form 701

CLASSIFICATION											
Date	Prefix	S/PRICE	Date	State	W	Z	X	Y	Z	Y	V
17/7/63		8/1603 COMM. EX. N.T.	7/11		7/11		7/11	8/6	8/11	8/6	8/6
28/6/63		COMM. N.T.	7/11		8/6		8/6	8/6	8/11	8/6	8/6
26/6/63		COMM. N.T.	7/11		8/6		8/6	8/6	8/11	8/6	8/6
20/6/63		COMM. EX. N.T.	6/11		6/11		6/11	6/11	6/11	6/11	7/6
16/6/60		COMM. N.T.	6/11		6/11		6/11	6/11	6/11	6/11	7/6
		N.T.	6/11		7/11		7/11	7/11	7/11	7/11	8/6

Remarks Date 3/12/63 NOTE NEW COST EX STIRLING HENRY EFFECTIVE 1/11/63

85

Mail To		Dept. WMS, HOSIERY & GLOVES		Article		MESH FAIRYWEB		M/No. 29/5		Ref. No. SEE ASST. 29																																					
H.O. March.	Date	SOURCE OF SUPPLY		SUPPLIER		Unit	First Cost	State	Unit	First Cost	Unit																																				
H.O. Incident	1952 2/11	NSW/Old	W.A./S.A./Vto Excpd	BS	AVERAGE COST	DZ	PRS		DZ	PRS	60.1																																				
H.O. Rootex	15/11	BB			AVERAGE COST	DZ	PRS		DZ	PRS	61.0																																				
H.O. Rock.	2/11	BP			AVERAGE COST	DZ	PRS		DZ	PRS	60.5																																				
WL/Syd.	15/11	BM	BM		AVERAGE COST	DZ	PRS		DZ	PRS	61.3																																				
WL/Brie.																																															
WL/Vic.																																															
Webulk																																															
Adbulk																																															
N.S.W. Advert.																																															
Sthn. Advert.																																															
Bris. Buyer	15/5	NT	7/11	7/11	7/11	7/11	8/6																																								
Melb. Buyer		N.T.		8/6	8/11	8/11																																									
S.A. Buyer																																															
W.A. Buyer																																															
Comm. Food																																															
O.P.	9/2 DEC																																														
H.M. Basis																																															
Weight																																															
Density																																															
This Ref. Follows		75991/39																																													
<p style="text-align: center;">CLASSIFICATION</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>1</th><th>2</th><th>3</th><th>4</th><th>5</th><th>6</th> <th>7</th><th>8</th><th>9</th><th>10</th><th>11</th><th>12</th> </tr> <tr> <td>W</td><td>X</td><td>Y</td><td>Z</td><td>V</td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>15/5</td><td>7/11</td><td>7/11</td><td>7/11</td><td>8/6</td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>												1	2	3	4	5	6	7	8	9	10	11	12	W	X	Y	Z	V								15/5	7/11	7/11	7/11	8/6							
1	2	3	4	5	6	7	8	9	10	11	12																																				
W	X	Y	Z	V																																											
15/5	7/11	7/11	7/11	8/6																																											
<p style="text-align: center;">O.P. ASSORT.</p>																																															
<p style="text-align: center;">% Addit. Charges</p>																																															
<p style="text-align: center;">% M.U.</p>																																															
<p style="text-align: center;">G.P.I. NSW on C.I.B</p>																																															

SPECIAL ADVT ALLOWANCE OF 1/2% PRS INCLUDED IN LAST COST

Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

Mail To	H.O. Merch.	Date	SOURCE OF SUPPLY		SUPPLIER	State	First Cost	Unit	Diag. etc.	Frt.	Last Cost	Cash Term	C.I.B. Term	Del. Term	Cases	Min. Out	Variety	Ref. No.
			NSW	Qld.														
	H.O. Incident	17.4.63	BS		Average cost		DZ				58.6						03675 etc	29
	H.O. Rootex		BB		"		DZ				59.8							
	H.O. Rock.		BP		"		DZ				60.6							
	WL/Syd.		Bm Bm		"		DZ				59.5							
	WL/Bris.	13.5.63	BS		Average cost		DZ				60.5							
	WL/Vic.		BB		Average cost		DZ				61.2							
	Wabulk		BP		Average cost		DZ				60.0							
	Adbulk		Bm Bm		Average cost		DZ				58.9							
	N.S.W. Advert.																	
	Stnm. Advert.																	
	Bris. Buyer	8/7/44																
	Melb. Buyer	15/7/63																
	S.A. Buyer																	
	W.A. Buyer																	
	Comm. Food																	
	O.P.	6/2/77A																
	H.M. Basis																	
	Weight																	
	Density																	
	This Ref. Follows																	
		7590139																
	Remarks	Delete order allow. Correction 5/4/63																

New Card  
19/7/63





DEPT. Womens - Jeans Factory - Hosiery - Hosiery - ARTICLE Delivery #11 Nylon 50 when transportation (Lid Ref 04474 etc.)  
 N No 05754 56

STATE	FOLLOWS REF. NO.	DATE	NO. OF CHAR	NAME	DESCRIPTION	CODE	PACKS		REFERENCE NUMBER
							OUTER (IN O.P.S)	INNER (IN ONLY)	
N	0	2	0	FFN	56		0	0	02633
Q	0	2	0	FFN	56		0	0	02633
W	0	2	0	FFN	56		0	0	02633
S	0	2	0	FFN	56		0	0	02633
V/T	0	2	0	FFN	56		0	0	02633
COM.	0	2	0	FFN	56		0	0	02633

DATE	SUPPLY		STATE	DISC.	UNIT	CASH TERMS	DELIVERY TERMS	CASH TERMS	DELIVERY TERMS
	NO. (2)	EXCEPT (3)							
2/15/63	BS	60	BP	N	56	EX	EX	22-30	FIS
2/16/64	BS	60	BP	N	56	EX	EX	22-30	FIS
2/17/65	BS	60	BP	N	56	EX	EX	22-30	FIS

DATE	PREFIX (2)	DATE	STATE	SELL UNIT	SELL PRICES (3X3)	DATE	CLASSIFICATION (2)			O.P. ASSTMT.
							N	Q	S	
16/1/64	NT	6/11	6/11	6/11	7/6					
2/7/65	NT	7/11	7/11	7/11	8/6					
14/10/65	NT	7/11	7/11	7/11	7/6					

REMARKS: 14/5/64. ASST MT. MYSTIC CUST. N. N. N. ORDERS MIL. 20/5/64. New Machine Coors. 20/10/64 New mfg. description. New Supplier Kanorex delete SHAWING HENRY. 2/16/64 last orders (CANCELED). 2/17/65 last delivery TIME # FORM 700 7 DAYS EX FACTORY AFTER RECEIPT OF ORDER. 2/17/65 QUARTERLY AVERAGING DISCONTINUED.

Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.



H.O. Merch.	Date	SOURCE OF SUPPLY			State	First Cost	Unit	Disc etc.	Sales Tax	Frts.	Leas. Cost	Cash Terms	C.I.B.	Del. Terms	Cases	Min. Out
		NSW	Qld.	Vic.												
✓ H.O. Indent 9/8	1962	BS	BB	BM	9M											
✓ H.O. Rostex	1962	ALTERNATIVE				NSW	56/-									
✓ H.O. Rock.		BS	BB	BP	BM	NSW	47/-									
✓ WL Syd.																
✓ WL Bris.																
✓ WL Vic.																
✓ Wabulk																
✓ Adbulk																
✓ N.S.W. Advert.																
✓ Stmn. Advert.																
✓ Bris. Buyer																
✓ Melb. Buyer																
✓ S.A. Buyer																
✓ W.A. Buyer																
5' Comm. Food																
6/12/63																
6/12/63																
O.P. PRS																
H.M. Basis																
Weight																
Density																
This Ref. Follows																
044-58/29																

M/No. 51/58

HOSIERY F/F NYLON 30 DEL. CAPTIVATION

SUPPLIER

STIRLING HENRY LTD

KOLOTEX PTY LTD

*Wabulk 50/12/63*

SPECIAL ADVT ALLOWANCE OF 60 PER DZ PRS INCHES IN LAST COST.

CLASSIFICATION

O.P. ASSORT.

Remarks  
Date 7/5/63. Deleted due allow; new average cost. 13/5/63 of order by Sydney will be delivered. Delete N.F. new assmt of St Brown, Sydney of 1105 = 87102.  
Bussell of 3506 = 187 DZ. Wabulk of 1722 = 9802. Vabulk of 2418 = 3608. DZ.  
11/63 M.O. Sublimis M.O. cc. Sterling Henry

% Addit. Charges  
% M.U.  
G.P.I. NSW on C.I.B

Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.





Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

SOURCE OF SUPPLY		NO.	SUPPLIER W.A.	STATE	FIRST COST & C/TRACT	UNIT	DISC. ETC.	SALES TAX	LAST COST	CASH TERMS	DELIVERY TERMS	CASES	OUTER	MIN. QTY.
W.A.	EXCEPT													
3800	BP		Beam Monde	Vic	59/-	DZ Pcs		EX.		22.7	FIS	F		
3800	ALTERNATIVE		Holeproof Ltd	Vic	59/3	"		EX.		3.7	FIS	F		
3800	BP		Stirling Henry	NSW	59/3	"		"		N.30	FIS	F		
3800	BP		Charmaine Hosiery	Vic	59/-	"		"		22.30	FIS	F		
22.11.61	BP.		Average Cost						60.1					
3800	BP		Beam Monde	Vic	59/-	DZ Pcs		EX		22.7	FIS	F		
3800	ALTERNATIVE		Holeproof Ltd.	Vic	59/3	DZ Pcs		EX		3.7	FIS	F		
3800	BP		Stirling Henry	NSW	59/3	"		"		N.30	FIS	F		
3800	BP		Charmaine Hosiery	Vic	59/-	"		"		22.30	FIS	F		
22.11.61	BP		Average Cost						60.1					







FORM No. 4308A CARD No. 22 WEIGHT 0.88

MEMO.	SOURCE OF SUPPLY		STATE	FIRST COST & C/TRACT	UNIT	DISC. ETC.	SALES TAX	LAST COST	CASH TERMS	DELIVERY TERMS	CASES	OUTER	MIN. QTY.
	N.S.W.	QLD.											
3800	B5	B8	29	581-884	82	EX			30/7	KIS	1		
3800	B5	B8	VIC	591/2	11	"			3/7	"	"		
3800	B5	B8	NSW	591/2	11	"			N30	"	"		
3800	B5	B8	VIC	581-	11	"			N30	"	"		

1 Beam Knicker Std  
2 Holdproof  
3 Knitting Hosiery  
4 Charmeuse Hosiery  
5 Knit Pant.

MEMO.	PREFIX		SELLING PRICE											CLASSIFICATION			STOCKTAKING		
	N.S.W.	QLD.	MEMO.	STATE	W	X	Y	Z	5	6	V	M.S.W.	QLD.	W.A.	S.A.	VIC-TAS	COST	UNIT	
29	C2		1800	NSW	7/11	7/11	7/11	7/11	7/11	8/6	8/6								
			1800	NSW	7/11	7/11	7/11	7/11	7/11	8/6	8/6								
			1800	NSW	7/11	7/11	7/11	7/11	7/11	8/6	8/6								
			1800	NSW	7/11	7/11	7/11	7/11	7/11	8/6	8/6								

REF. 29 | SUFFIX C2 | ARTICLE MESH FAIRYWEB M/NO. 29/3  
HOSIERY F/F NYLON 15 DEN. 51 GAUGE LADDERLESS

INDP. 253

Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

SOURCE OF SUPPLY		NO.	SUPPLIER	STATE	FIRST COST & C/TRACT	UNIT	DISC. ETC.	SALES TAX	LAST COST	CASH TERMS	DELIVERY TERMS	CASES	OUTER	MIN. QTY.
MEMO. NO.	S.A. VIC. T.A.S.	EXCEPT	W.A.	STHRN.										
1982														
3800	BP		Beam Trade	VIC	581-PRG	DZ		EX		137	F15	F		
3801	ALTERNATIVE		Holeproof Ltd	VIC	593	60/6	300	"		3.7	"	"		
	BP		Stirling Hosiery	NSW	593	"	127	"		N30	"	"		
	BP		Charadine Hosiery	VIC	581-	"		"		1330	"	"		
1963														
3800	BMBM		Beam Trade	VIC	581-PRG	DZ		EX		137	F15	F		
3801	ALTERNATIVE		Holeproof Ltd	VIC	593	60/6	300	"		3.7	"	"		
	BMBM		Stirling Hosiery	NSW	593	"	127	"		N30	"	"		
	BMBM		Charadine Hosiery	VIC	581-	"		"		1330	"	"		

Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

FORM NO. 4305A		CARD No. 23		WEIGHT	
SOURCE OF SUPPLY		SUPPLIER (N.S.W. & QLD.)		FIRST CONTRACT	
MEMO.	N.S.W. QLD.	W.A. VIC-TAS	S.A.	W.A.	S.A.
MEMO.	N.S.W. QLD.	W.A. VIC-TAS	S.A.	W.A.	S.A.
1	BS BB				
2	BS BB				
4	BS BB				
3	BS BB				

NO.	STATE	UNIT	DISC. ETC.	SALES TAX	LAST COST	CASH TERMS	DELIVERY TERMS	CASES	OUTER QTY.
1	NSW	57/6 pas		EX		8/27	FIS	F	
2	VIC	59/3 "		"		3/7	"	"	
4	NSW	64/6 "		"		N30	"	"	
3	VIC	58/1 "		"		2/30	"	"	

PREFIX		SELLING PRICE		CLASSIFICATION		STOCKTAKING	
MEMO.	N.S.W. QLD.	W.A. VIC-TAS	S.A.	MEMO.	N.S.W. QLD.	W.A. VIC-TAS	S.A.

REF.	SUFFIX	ARTICLE	BEST SELLER	INDENT
29	C2	HOSIERY F/F MILION 15 DENIER 51 GAUGE	29/3	Z54

*Handwritten note:* 1st 2nd 3rd

*Handwritten notes:* ADDRESS 15 DENIER 51 GAUGE, M/NO. 29/3





Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

MEMO. NO.	SOURCE OF SUPPLY		NO.	SUPPLIER	STATE	FIRST COST & CONTRACT	UNIT	DISC. ETC.	SALES TAX	LAST COST	CASH TERMS	DELIVERY TERMS	CASES	OUTER	MIN. QTY.
	W.A.	EXCEPT													
1918				W.A.											
389	BP			Brown Mander Ltd.	VIC	57.1	32		EX	57.1	3.7	K15	4		
389	BP			Halebrook Ltd.	VIC	57.1	"		"	57.1	3.7	"	"		
389	BP			Intending Laundry	NSW	66.1	"		"	66.1	N30	"	"		
389	BP			Charronier Laundry	VIC	58.1	"		"	58.1	N30	"	"		
389	BP			Kaysen Pty Ltd.	VIC	58.1	"		"	58.1	N30	"	"		
389	BP			<del>Kaysen Pty Ltd.</del>	VIC	57.1	"		"	57.1	N30	"	"		
389	BP			<del>Kaysen Pty Ltd.</del>	VIC	57.1	"		"	57.1	N30	"	"		
MEMO. NO.				STHIN.											
1918															
389	BMBM			Brown Mander Ltd.	VIC	57.1	32		EX	57.1	3.7	K15	4		
389	BMBM			Halebrook Ltd.	VIC	57.1	"		"	57.1	3.7	"	"		
389	BMBM			Intending Laundry	NSW	66.1	"		"	66.1	N30	"	"		
389	BMBM			Charronier Laundry	VIC	58.1	"		"	58.1	N30	"	"		
389	BMBM			Kaysen Pty Ltd.	VIC	58.1	"		"	58.1	N30	"	"		
389	BMBM			<del>Brown Mander Ltd.</del>	VIC	57.1	"		"	57.1	N30	"	"		
389	BMBM			<del>Kaysen Pty Ltd.</del>	VIC	57.1	"		"	57.1	N30	"	"		
389	BMBM			Kaysen Pty Ltd.	VIC	57.1	"		"	57.1	N30	"	"		





Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

SOURCE OF SUPPLY		NO.	SUPPLIER	STATE	FIRST COST & C/TRACT	UNIT	DISC. ETC.	SALES TAX	LAST COST	CASH TERMS	DELIVERY TERMS	CASES	OUTER	MIN. QTY.
W.A.	EXCEPT													
6164	BP		Average Cost			Pa			60.1					
3800			Average Cost			Pa			59.8					
3800	BP		Average Cost			Pa			60.5					
127	BM BM													
1511	BM BM													
<p>Expenditure details allowance of 11-12-1938</p>														
1938			Average Cost						60.1					
3800			Average Cost						59.9					
127	BM BM		Average Cost						61.3					
1511	BM BM		Average Cost											
<p>Expenditure details allowance of 11-12-1938</p>														





Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

WEIGHT

CARD No. 1

FORM NO. 4992A

SOURCE OF SUPPLY		NO.	SUPPLIER (N.S.W. & QLD.)	STATE	FIRST COST & C-TRACT	UNIT	DISC. ETC.	SALES TAX	LAST COST	CASH TERMS	DELIVERY TERMS	CASES	OUTER	MIN. QTY.
MEMO.	N.S.W. QLD.													
3500	BS		Average cost			PRS			46.2					
3826	BB		Average cost			"			47.0					
3500	BS		Average cost			"			46.2					
1511	BB		Average cost			"			47.4					

MEMO.	PREFIX		SELLING PRICE						CLASSIFICATION						STOCKTAKING				
	N.S.W.	QLD.	W.A.	VIC.-TAS	MEMO.	STATE	W	X	Y	Z	M	N.S.W.	QLD.	W.A.	S.A.	VIC.-TAS	COST	UNIT	
						1	2	3	4	5	6								

REF. 33	SUFFIX	ARTICLE	AVERAGE COSTS FOR CONJ.	M/NO.	BEST SELLER	INDENT	258
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Defendants  
Exhibits

Exhibit "5"

Woolworths  
Limited's  
Stock  
Control  
Records of  
purchase  
of Fully-  
fashioned  
Hosiery and  
Gloves.

Form 3704.

Sydbulle  
Stock Control

From Sydbulle

Date 7/11/62

At. Hosiery 3010

Re CIM 02118.

Ref: B 33 Pro. F/F Nylon 15 Den. F'web

CIM advised last cost = 47.6 DZ PRS.

Sydbulle Records show 48.4 DZ PRS.

refer VBM 3110/1/62

Please advise.

Schaefer

**CORAM: COLLINS, J.**

Stirling Henry Ltd Woolworths Ltd.

Defendants EXHIBIT

Stella Collins

ASSOCIATE



Defendants  
Exhibits

Exhibit "5"

Woolworths  
Limited's  
Stock  
Control  
Records of  
purchase  
of Fully-  
fashioned  
Hosiery and  
Gloves.

MEMO. NO.	S.A.	VIC. T.A.	EXCEPT	NO.	SUPPLIER W.A.	STATE	FIRST COST & C/TRACT	UNIT	DISC. ETC.	SALES TAX	LAST COST	CASH TERMS	DELIVERY TERMS	CASES	OUTER	MIN. QTY.	
																	W.A.
216	BP				Richardson			DS P&S			48/2						
300	BP				Richardson			DS P&S			48/6						
098	BP				Richardson			DS P&S			48/6						
5800	BM				Richardson			DS P&S			48/2						
121	BM				Richardson			DS P&S			48/7						
	BA				Richardson		48/2	DS P&S									
	BA				Richardson		48/7	DS P&S									
	BM				Richardson			DS P&S			48/7						







Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

FORM NO. 4808A	CARD No. 29.	WEIGHT 0.88	SOURCE OF SUPPLY		STATE	FIRST COST & CONTRACT	UNIT	DISC. ETC.	SALES TAX	LAST COST	CASH TERMS	DELIVERY TERMS	CASES	OUTER	MIN. QTY.																	
			N.S.W.	QLD.												EXCEPT																
3800	098	BS BB	Shiling Henry Ltd.	NSW	56/-	DZ PRS		EX		N 30	FIS	F																				
3800	099	BS BB	Koloka Pty Ltd.	NSW	47/-	"		"	56.5	2/230	FIS	F																				
3800	099	BS BB	Average Cost.																													
3800	099	BS BB	Shiling Henry Ltd.	NSW	56/-	DZ PRS		EX		N 30	FIS	F																				
3800	100	BS BB	Koloka Pty Ltd.	NSW	47/-	DZ PRS		"	56.5	2/230	FIS	F																				
3800	101	BS BB	Average Cost																													
3800	151	BS BB	Average Cost						54.9																							
Special Advt. Allowance of 6' Dye P. included in last cost																																
MEMO.	N.S.W.	QLD.	W.A.	S.A.	VIC-TAS	CLASSIFICATION																										
						MEMO	N.S.W.	QLD.	W.A.	S.A.	VIC-TAS	STOCK TAKING	COST	UNIT																		
						W	X	Y	Z	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	
						6/11	6/11	6/11	6/11	6/11	6/11	7/16	7/11																			
						N.T.	N.T.																									

REF. 56 PREFIX 2212 ARTICLE HOSEY F/F NYLON 30 DENIER CAPTIVATION M No 51/58 BEST SELLER INDENT 262













Defendants Exhibits

Exhibit "5"

Woolworths Limited's Stock Control Records of purchase of Fully-fashioned Hosiery and Gloves.

FORM NO. 4905A		CARD No. 1 3		WEIGHT 1.31										
SOURCE OF SUPPLY		NO.	SUPPLIER (N.S.W. & QLD.)	STATE	FIRST COST & CTRACT	UNIT	DISC. ETC.	SALES TAX	LAST COST	CASH TERMS	DELIVERY TERMS	CASES	OUTER	MIN. QTY.
MEMO	N.S.W. QLD. EXCEPT													
311	BS BB	2	Universal Hosiery	VIC	50/3	PRS		EX 50/3			FIS	F		
3100	BS BB	2	Universal Hosiery	VE	53/6			EX 53/6			FIS	F		
3800	BS BB	2	Universal Hosiery	VIC	50/-	PRS		EX 50/0			FIS	F		

PREFIX		SELLING PRICE										STOCKTAKING							
MEMO	N.S.W. QLD.	W.A.	S.A.	VIC-TAS	STATE	W	X	Y	Z	5	6	MEMO	N.S.W. QLD.	W.A.	S.A.	VIC-TAS	COST	UNIT	
					1962														
					116	6/11	6/11	7/6	7/6										
					1962	6/6	6/6	7/6	7/6										
					3800	6/6	6/6	7/11	7/11										
					1963	6/6	6/6	6/11	7/6										
					3801	6/6	6/6	6/11	6/11										
					921	NT		6/11	7/6										

REF.	SUFFIX	ARTICLE	MANUFACTURER	BEST SELLER	INDENT
120	M2	HOSIERY F/F NYLON 15 DEN. 60 GAUGE FAIRWEAR SPECIAL 60's			265x



IN THE PRIVY COUNCIL

No. 17 of 1966

ON APPEAL FROM THE SUPREME COURT OF NEW  
SOUTH WALES

B E T W E E N:

WOOLWORTHS LIMITED (Defendant) Appellant

- and -

STIRLING HENRY LIMITED (Plaintiff) Respondent

B E T W E E N:

STIRLING HENRY LIMITED (Plaintiff) Appellant  
(By Cross-Appeal)

- and -

WOOLWORTHS LIMITED (Defendant) Respondent  
(By Cross-Appeal)

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RECORD OF PROCEEDINGS

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VOLUME II

Pages 341 to 685

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