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Judgment
34, 1955

No. 23 of 1955.

In the Privy Council.

ON APPEAL
FROM THE HIGH COURT OF AUSTRALIA

BETWEEN

THE AUSTRALIAN WOOLLEN MILLS LIMITED
(formerly called The Australian Woollen Mills Pty.
Limited) (Plaintiff) *Appellant*

AND

THE COMMONWEALTH OF AUSTRALIA (Defendant) . *Respondent.*

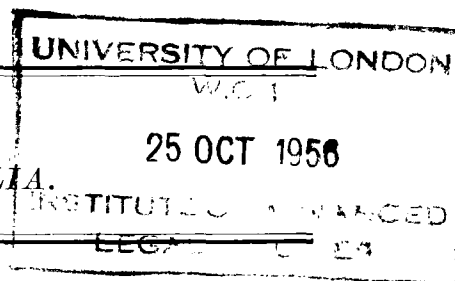
RECORD OF PROCEEDINGS
(IN TWO VOLUMES)

VOLUME I

GALBRAITH & BEST,
1 ESSEX COURT,
TEMPLE, E.C.4,
Solicitors for the Appellant.

COWARD, CHANCE & CO.,
ST. SWITHIN'S HOUSE,
WALBROOK, E.C.4,
Solicitors for the Respondent.

INSTITUTE OF ADVANCED
LEGAL STUDIES,
25, RUSSELL SQUARE,
LONDON,
W.C.1.

In the Privy Council.**ON APPEAL**
FROM THE HIGH COURT OF AUSTRALIA.**44831**

BETWEEN
 THE AUSTRALIAN WOOLLEN MILLS LIMITED (formerly
 called The Australian Woollen Mills Pty. Limited) (Plaintiff) . *Appellant*

AND

THE COMMONWEALTH OF AUSTRALIA (Defendant) . *Respondent.*

RECORD OF PROCEEDINGS
(IN TWO VOLUMES)**VOLUME I**
INDEX OF REFERENCE

NO.	DESCRIPTION OF DOCUMENT	DATE	PAGE
<i>IN THE HIGH COURT OF AUSTRALIA</i>			
1	Amended Statement of Claim	4th November 1952 ..	1
2	Amended Defence	4th March 1953 ..	4
3	Reply to Amended Defence	6th March 1953 ..	6
EVIDENCE tendered on the Hearing before His Honor Mr. Justice Kitto on the 6th and 7th May, 1953			
PLAINTIFF'S EVIDENCE			
4	Keith Walter Scott		7
5	Frederick Payne		11
6	Gilbert Bruce Henderson		15
7	Cecil Bruce King		24
8	Eric Hammil Gifford		30
9	Keith Walter Scott (Re-called).. .. .		37

NO.	DESCRIPTION OF DOCUMENT	DATE	PAGE
DEFENDANT'S EVIDENCE			
10	Albert William Nicholls		39
11	Arthur Leon Winter		46
12	Howard Bickford Leigh		50
<i>IN THE FULL COURT OF THE HIGH COURT OF AUSTRALIA</i>			
13	Joint Reasons for Judgment— The Chief Justice (Sir Owen Dixon) Williams, J. Webb, J. Fullagar, J. Kitto, J.		64
14	Order	4th May 1954 ..	86
<i>IN THE PRIVY COUNCIL</i>			
15	Order granting special leave to Appeal to Her Majesty in Council	30th July 1954 ..	87

EXHIBITS

EXHIBIT MARK	DESCRIPTION OF DOCUMENT	DATE	PAGE
PLAINTIFF'S EXHIBITS			
Exhibit A	Mutual Admissions		89
Exhibit B	Transcript of Proceedings before His Honor Mr. Justice Kitto	1st May 1952 ..	90
Exhibit C	Bundle of correspondence printed and separately indexed in Vol. 2		Vol. 2
Exhibit D	Summary of greasy and scoured wool purchases for the 1947-1948 season and of subsidy claimed and paid		275

EXHIBIT MARK	DESCRIPTION OF DOCUMENT	DATE	PAGE
Exhibit E	Documents which support the first item on list 1 of Exhibit D—(Material portion only of these documents copied by consent of parties) ..		281
Exhibit F	Summary of wool purchases for the period 1st July 1948 to 31st December 1948		294
Exhibit G	Summary of various bales of appraisalment wool on hand at the Christmas close-down 1948 ..		302
Exhibit H	Specimen sheet of Brand Book and specimen of weekly sorting sheet		271
Exhibit J	Summary of Stocks, purchases and usage of wool for the six months ended 31st December 1948 ..		297
Exhibit K	Schedule showing for the six months ended 31st December 1948 the identity of all wool used ..		299
Exhibit L	Schedule showing summary of wool on hand as at 30th June 1948		293
Exhibit M	Summary of stock of wool on hand as at 31st December 1948		301
Exhibit N	Certificate of the Commonwealth Statistician. Chapter 1 "Retail Prices and Prices Indexes" of Labour Report 1950 (contained in folder) ..		324
Exhibit O	Documents relating to 3 bales of ex 1942-1943 season being part of 201 bales on hand at the Christmas close-down 1948 as per Exhibit G ..		307
Exhibit P	Bundle of invoices and other documents for 1943-1944 season (specimen set of documents only copied by consent of parties)		127
Exhibit Q	Notice from the New South Wales State Wool Committee to approved wool selling brokers ..	28th July 1945 ..	126
Exhibit R	Bundle of invoices for 1945-1946 season (specimen invoice only copied by consent of parties) ..		133
Exhibit S	Pages 49, 57 and 75 of the Statistical Handbook of the Sheep and Wool Industry		325
Exhibit T	Calculations made by Cecil Bruce King		329
Exhibit U	Summary of selling prices charged by the Plaintiff from 30th June 1948 to 31st December 1948 ..		315
Exhibit V	Notes of meeting between Australian Wool Realization Commission and Advisory Committee of Wool Manufacturers	19th and 20th March 1946	141
Exhibit W	Extracts from Appropriation Acts of the Commonwealth of Australia		316

EXHIBIT MARK	DESCRIPTION OF DOCUMENT	DATE	PAGE
<u>DEFENDANT'S EXHIBITS</u>			
Exhibit 1	Specimen group of documents upon which subsidy was claimed by the Plaintiff and paid by the Defendant and summary of subsidy claims for the 1946-1947 and 1947-1948 seasons (portion only of this specimen group copied by consent of parties)		231
Exhibit 2	Applications by the Plaintiff for authorisation to purchase wool and corresponding authorisations		93
Exhibit 3	Transcript of proceedings of meeting between Australian Wool Realization Commission and the Advisory Committee of Wool Manufacturers held on	24th June 1948 ..	245
Exhibit 4	Letter from the Central Wool Committee of the Australian Wool Realization Commission to the State Wool Committees and acknowledgment thereof	1st November 1945 and 6th November 1945 ..	123
Exhibit 5	Bundle of Invoices relating to Sales to Australian Woollen Mills Pty. Limited	17th and 18th December 1945 ..	137

In the Privy Council.

ON APPEAL FROM THE HIGH COURT OF AUSTRALIA.

BETWEEN

THE AUSTRALIAN WOOLLEN MILLS LIMITED
(formerly called The Australian Woollen Mills
Pty. Limited) (Plaintiff) *Appellant*

AND

10 THE COMMONWEALTH OF AUSTRALIA
(Defendant) *Respondent.*

*In the
High Court
of
Australia.
New South
Wales
Registry.*

No. 1.
Amended
Statement
of Claim,
4th
November
1952.

RECORD OF PROCEEDINGS

VOLUME I

No. 1.

AMENDED STATEMENT OF CLAIM.

No. 38 of 1949.

IN THE HIGH COURT OF AUSTRALIA.
New South Wales Registry.

Between THE AUSTRALIAN WOOLLEN MILLS PTY.
LIMITED Plaintiff

20

and

THE COMMONWEALTH OF AUSTRALIA . Defendant.

AMENDED STATEMENT OF CLAIM.

Amended in red ink in pursuance of the order made by the Honourable
Mr. Justice KITTO on the 1st day of May, 1952, filed and delivered the
4th day of November, 1952.

1. The Plaintiff The Australian Woollen Mills Pty. Limited is a
Company duly incorporated in accordance with the provisions of the
Companies Act as amended in force in the State of New South Wales and
is entitled to sue in that name.

30 2. The Plaintiff Company has for many years and at all material
times carried on the business of a manufacturer of piece goods woollen or
containing wool including the manufacturer of the said goods for

WE, the Solicitors for the Plaintiff and Defendant herein respectively do
hereby consent to the within Amended Statement of Claim being filed by
the Plaintiff.

Dated 4th November, 1952.

JAS. H. STEPHENSON
Solicitor for the Plaintiff.

D. D. BELL
Crown Solicitor for the Commonwealth.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

No. 1.
Amended
Statement
of Claim,
4th
November
1952,
continued.

consumption in the Commonwealth of Australia and of buying and selling wool fibres woollen materials and piece goods and fabrics of all kinds in connection with and incidental to its said business of manufacture.

3. At or prior to the commencement of the wool season 1946/1947 the Defendant promised the Plaintiff that in consideration that the Plaintiff would during that season purchase wool at auction and otherwise than at auction for domestic consumption in Australia the Defendant would pay to the Plaintiff a subsidy calculated as the difference between the then basic price of wool for domestic consumption and the average market price of wool for each auction series at which the said wools were purchased by the Plaintiff and in those cases where the said wools were purchased by the Plaintiff otherwise than at auction the amount of the said subsidy would be the difference between the said basic cost and the actual price paid by the Plaintiff for the said wool, where the price paid by it for such wool was below the said average auction market level and where the price paid by it as aforesaid was equal to or greater than the said average auction market level then the amount of the said subsidy would be the difference between the said basic cost and the said average auction market level and that the amount of the subsidy would be as determined by the Australian Wool Realisation Commission which had been charged by the Defendant with the calculation and payment of the said subsidy on its behalf. 10 20

4. During the wool season 1946/7 the Plaintiff in pursuance of the said agreement from time to time made purchases of wool at different Auction Series and otherwise than at auction as aforesaid for domestic consumption as aforesaid and thereupon the said Australian Wool Realisation Commission duly calculated and determined as aforesaid the amount of the said subsidy in respect of each of the said purchases and the Australian Wool Realisation Commission as agent of the Defendant paid to the Plaintiff subsidies so calculated in respect of the said wool purchases, except for the sum of £6,364 11s. 10d. which sum remains due and unpaid. 30

4A. At or prior to the commencement of the wool season 1947/1948 the Defendant promised the Plaintiff that in consideration that the Plaintiff would during that season purchase wool at auction and otherwise than at auction for domestic consumption in Australia the Defendant would pay to the Plaintiff a subsidy calculated as the difference between the then basic price of wool for domestic consumption and average market price of wool for each auction series at which the said wools were purchased by the Plaintiff and in those cases where the said wools were purchased by the Plaintiff otherwise than at auction the amount of the said subsidy would be the difference between the said basic cost and the actual price paid by the Plaintiff for the said wool and where the price paid by it for such wool was below the said average auction market level and where the price paid by it as aforesaid was equal to or greater than the said average auction market level then the amount of the said subsidy would be the difference between the said basic cost and the said average auction market level and that the amount of the subsidy would be as determined by the Australian Wool Realisation Commission which had been charged by the Defendant with the calculation and payment of the said subsidy on its behalf. 40 50

5. During the wool season 1947/1948 the Plaintiff in pursuance of the said lastly mentioned agreement from time to time made purchases of wool at different auction series and otherwise than at auction as aforesaid for domestic consumption as aforesaid and thereupon the Australian Wool Realisation Commission duly calculated and determined as aforesaid the amount of the said subsidy in respect of each of the said purchases and the said Australian Wool Realisation Commission paid certain of the said amounts of subsidy so calculated save and except for the sum of £167,667.16.5 which still remains due and unpaid.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

No. 1.
Amended
Statement
of Claim,
4th
November
1952,
continued.

10 6. And the Plaintiff also sues the Defendant for moneys payable by the Defendant to the Plaintiff for moneys had and received by the Defendant for the use of the Plaintiff particulars whereof are as follows :—

(A) Moneys exacted by the Defendant and paid by the Plaintiff under protest without prejudice to its rights and without admissions to the Defendant in respect of subsidies paid and subsequently withdrawn by the Defendant on subsidised wools purchased as aforesaid in the said 1946/1947 wool season which is the same sum as that mentioned in paragraph 4 hereof and 7 (A) hereof . . . £6,364.11.10.

(B) Moneys exacted by the Defendant and paid by the Plaintiff under protest without prejudice to its rights and without admissions to the Defendant in respect of subsidies paid and subsequently withdrawn by the Defendant on subsidised wools purchased as aforesaid in the said 1947/1948 wool season which is the sum of £167,667.16.5 being the sum claimed in paragraph 5 hereof and the same sum as that claimed in paragraph 7 (B) hereof.

(C) Moneys exacted by the Defendant and paid by the Plaintiff under protest without prejudice to its rights and without admissions to the Defendant in respect of the deferred purchase price of wools purchased by the Plaintiff from the Central Wool Committee as agent for the Defendant ex appraisalment during the wool season 1942/1943 ; 1943/1944 ; and 1945/1946 amounting in all to the sum of £2,121.0.7, being the same sum as that claimed in paragraph 7 (C) hereof.

7. And the Plaintiff also sues the Defendant for moneys payable by the Defendant to the Plaintiff in respect of subsidies due from the Defendant to the Plaintiff and for moneys found to be due on accounts stated between them particulars whereof are as follows :—

(A) Moneys exacted by the Defendant and paid by the Plaintiff under protest without prejudice to its rights and without admissions

*In the
High Court
of
Australia.
New South
Wales
Registry.*

No. 1.
Amended
Statement
of Claim,
4th
November
1952,
continued.

- to the Defendant in respect of subsidies paid and subsequently withdrawn by the Defendant on subsidised wools purchased as aforesaid in the said 1946/1947 wool season, which is the same sum as that mentioned in paragraphs 4 and 6 (A) hereof £6,364.11.10.
- (B) Moneys exacted by the Defendant and paid by the Plaintiff under protest without prejudice to its rights and without admissions to the Defendant in respect of subsidies paid and subsequently withdrawn by the Defendant on subsidised wools purchased as aforesaid in the said 1947/1948 wool season which is the sum of £167,667.16.5 being the sum mentioned in paragraph 6 (B) hereof .. £167,667.16. 5. 10
- (C) Moneys exacted by the Defendant and paid by the Plaintiff under protest without prejudice to its rights and without admissions to the Defendant in respect of the deferred purchase price of wools purchased by the Plaintiff from the Central Wool Committee as agent for the Defendant ex appraisement during the wool seasons 1942/1943 ; 1943/1944 ; and 1945/1946 amounting in all to the sum of £2,121.0.7 and being the same sum as that claimed in paragraph 6 (C) hereof .. £2,121. 0. 7. 20

THE PLAINTIFF THEREFORE CLAIMS :

- (1) The sum of £176,153.8.10.
- (2) Costs.
- (3) Such other relief as the circumstances of the case may 30 require.

(Sgd.) JAS. H. STEPHENSON,
Solicitor for the Plaintiff.

No. 2.
Amended
Defence,
4th March
1953.

**No. 2.
AMENDED DEFENCE**

The Defendant to the amended Statement of Claim herein says as follows :—

1. It admits the allegations in paragraphs 1 and 2 thereof.
2. It denies each and every allegation in paragraph 3 thereof.
3. The Australian Wool Realization Commission during the year 40 1946 invited certain Australian Woollen manufacturers including the Plaintiff to make application for the payment of a subsidy which it

informed the said manufacturers including the Plaintiff the Defendant intended to pay to Australian manufacturers in respect of wool purchased by them for Australian domestic consumption, and stated that the amount of such subsidy would be calculated by the said Commission in accordance with certain principles and would be paid in certain circumstances and upon certain conditions from time to time made known to the Plaintiff.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

4. Save that it admits that during the wool season 1946/1947 the Plaintiff from time to time made purchases of wool at different auction series and otherwise than at auction for domestic consumption and that
10 the Australian Wool Realization Commission calculated and determined amounts of subsidy in respect of each of the said purchases and that the Defendant paid certain of the said amounts of subsidy and that of such amounts so calculated and determined it has not paid the sum of £6,364.11.10, it denies each and every allegation in paragraph 4 thereof.

No. 2.
Amended
Defence,
4th March
1953,
continued.

5. It denies each and every allegation in paragraph 4A thereof.

6. In the month of August, 1947, the Australian Wool Realization Commission on behalf of the Defendant informed the said Australian woollen manufacturers including the Plaintiff that the Defendant intended to continue the existing scheme for payment of a subsidy to Australian
20 manufacturers in respect of wool purchased by them for Australian domestic consumption until further notice. Subsequently the Defendant decided to discontinue the said Scheme as from the 31st day of July, 1948, and the Australian Wool Realization Commission on behalf of the Defendant notified the said manufacturers including the Plaintiff of such decision.

7. Save that it admits that during the wool season 1947-1948 the Plaintiff from time to time made purchases of wool at different auction series and otherwise than at auction for domestic consumption it denies each and every allegation in paragraph 5 thereof.

8. Save that it admits that on the 9th day of May, 1949, the Plaintiff
30 paid to it the sum of £67,282 4s. 9d. in respect of subsidies paid by the Defendant to the Plaintiff it denies each and every allegation in paragraph 6 thereof and in particular it denies that the said sum of £67,282 4s. 9d. or the sums referred to in the said paragraph 6 or any other sum was exacted by it from the Plaintiff and that the said sum of £67,282 4s. 9d. or the sums referred to in the said paragraph 6 or any other sums were paid to it by the Plaintiff under protest or without prejudice to the Plaintiff's rights or without admissions.

9. In answer to paragraph 7 of the Amended Statement of Claim the Defendant denies that the moneys referred to in paragraph 7 or any
40 moneys are payable by the Defendant to the Plaintiff in respect of subsidies due from the Defendant to the Plaintiff or for moneys due on accounts stated or at all and further the Plaintiff refers to and repeats the last preceding paragraph of this amended defence.

10. The sum of £67,282 4s. 9d. referred to in paragraph 8 hereof was voluntarily repaid by the Defendant to the Plaintiff pursuant to certain terms and conditions upon which subsidy had been paid to and received by the Plaintiff. The substance of the said terms and conditions as varied

*In the
High Court
of
Australia.
New South
Wales
Registry.*
—
No. 2.
Amended
Defence,
4th March
1953,
continued.

from time to time was that if the Defendant on the 22nd day of December, 1948, held stocks of wool on which subsidy had been paid or which was otherwise eligible for subsidy other than wool which was being used in work in progress on the said 22nd day of December, 1948, to an amount not exceeding 10 weeks' normal production, the Defendant would not pay to the Plaintiff any unpaid subsidy on wool comprising the said stocks and the Defendant would repay to the Plaintiff any subsidy actually paid on the wool constituting such stocks.

Dated this Fourth day of March, 1953.

(Sgd.) D. D. BELL, 10
Crown Solicitor for the Commonwealth
and Solicitor for the Defendant,
108-120 Pitt Street,
Sydney.

This amended defence was delivered by DAVID DOWSON BELL, Crown Solicitor for the Commonwealth and Solicitor for the Commonwealth, whose address for service is at Commonwealth Bank Building, 108-120 Pitt Street, Sydney.

No. 3.
Reply to
Amended
Defence,
6th March
1953.

No. 3.
REPLY TO AMENDED DEFENCE.

20

The Plaintiff as to the Defence herein says as follows :—

1. The Plaintiff joins issue on paragraphs 2, 5, 8, 9 and 10 of the Amended Statement of Defence.
2. The Plaintiff joins issue on paragraphs 3, 4 and 7 of the Amended Statement of Defence so far as the same deny any material allegation in paragraphs 3 and 4 respectively of the Amended Statement of Claim.
3. The Plaintiff accepts so much of paragraph 6 of this Amended Statement of Defence as admits that the Defendant purported without the assent of the Plaintiff to terminate any arrangement between them as to payment of subsidy for or in respect of the wool season 1947/1948, and 30 otherwise joins issue on the said paragraph.

Dated this 6th day of March, 1953.

(JAS. H. STEPHENSON),
Solicitor for the Plaintiff,
4 O'Connell Street,
Sydney.

This Reply to Amended Defence was delivered by JAMES HUNTER STEPHENSON, Solicitor for the Plaintiff, whose address is 4 O'Connell Street, Sydney.

PLAINTIFF'S EVIDENCE.

No. 4.

EVIDENCE of K. W. Scott.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

KEITH WALTER SCOTT, sworn :

Mr. BARWICK : Your name is Keith Walter Scott and you are employed as an accountant by the Plaintiff and you have been employed in that capacity since the end of 1946 ?—I have.

*Plaintiff's
Evidence.*

Have you the responsibility of keeping the books of financial account and the financial records of the company at its head office ?—I see that all
10 books of record are kept.

*No. 4.
K. W.
Scott.
Examina-
tion.*

Are they made up either by yourself or by people working under you ?—They are.

Have you anything to do with the purchases of wool by the company ?—I have.

On the purchase by a broker or a buyer of wool what is the procedure so far as it touches your financial record ?—On the purchase of wool by our company we receive an invoice from the buying broker. On receipt of that invoice we write a letter to the bank establishing a letter of credit in payment of that wool.

That is a letter of credit in favour of the broker ?—Yes. We send
20 out to the mill a duplicate of that invoice. If the duplicate has not been sent to us we have a copy typed and send the duplicate invoice and weight slips to the mill.

How about your letter of credit, do you pay your bank ?—On due date on the letter of credit we send a cheque to the bank in payment of that and it is recorded in our cash payments book. Our record of wool purchased is recorded in the wool purchase journal.

Kept at head office ?—Yes, and recorded in the wool purchase
30 journal, which is in turn posted to our ledgers. All receipts, invoices and original weight slips are kept at head office.

You have told us you sent the mill a copy of the invoice. What about weight slips ?—Duplicate weight slips are sent to the mill at the same time.

Have you been through the books of account and the supporting books and documents for the wool season 1947-48 ?—I have.

And have you verified a schedule of purchases made by the Plaintiff company in that season ?—I have verified that schedule by supporting invoices, original weight slips and receipts from the selling broker.

Will you look at that document (*shown*). Are you familiar with it ?
40 —I am.

Have you checked all the figures on that document ?—Yes I have checked them.

And are those figures correct ?—That is the schedule I prepared. They are correct.

*In the
High Court
of
Australia.
New South
Wales
Registry.
Plaintiff's
Evidence.*

*No. 4.
K. W.
Scott.
Examina-
tion,
continued.*

EXHIBIT.—EXHIBIT “D.”—Summary of greasy and scoured wool purchases, 1947–48 season, and of subsidy claimed and paid for that season.

Mr. BARWICK : I show you this bundle of documents. Would you take out from it just a sample set of documents in relation to one of these items just so that we can see—I think you have chosen one of the items on List 1, which item was it you chose to get a specimen?—The first one on List 1.

307 bales?—Yes.

Have you got the documents that cover that?—Yes.

Will you tell us what they are and hand them to me?—Our first 10 one is an invoice from Biggin and Ayrton showing the purchase of 307 bales and the purchase price thereon. On receipt of that invoice we wrote a letter to the Commercial Bank, which is our bank, establishing a letter of credit payable on Biggin and Ayrton, of which I tender a copy.

Is that the actual letter?—No, that is a copy of the letter sent to the bank.

What is the next one?—I also have here the receipt, the original letter received from the bank which says in effect they have effected our letter of credit on such and such a day.

Set up the credit, yes?—On payment to the bank of our cheque I 20 have here the sight draft drawn by Biggin and Ayrton on us. I also have here Biggin and Ayrton's invoice, rather their receipt for the payment of such money.

Have you got there the documents in relation to the subsidy?—I have. From here is the Australian Wool Realisation's documents which we partly filled in and then sent to the Wool Realisation Commission for completion, showing the amount of subsidy then payable to us on that certain sale.

You might tell us with respect to the document in your hand which parts of it did the Plaintiff fill in before sending to the Commission, which 30 columns?—Lot, bales, weight in lbs. would be all we would fill in.

Is the price paid filled in by you?—No.

The parts you would fill in would be the lot, the number of bales and the weight in lbs.?—Yes. The other only refers to the series average, the basic cost and the subsidy.

Having filled in so much of the document, what was done with it?—They were sent to the Wool Realisation Commission under a covering letter.

Is a copy of that letter here?—I have a copy here.

And subsequently, did you receive back the document that you had 40 sent to the Wool Realisation Commission?—We received back this original document.

In the form that it now is?—Yes.

The Commission having filled in the balance of it?—Yes.

Did a cheque accompany the document?—A cheque would accompany the document and we would write a receipt and forward that back to them.

If we return to the list—you have a copy of the schedule ; you will see that on that schedule you have a column, “ Amount of subsidy computed,” and that runs right through all the items in the list. Did you receive from the Wool Realisation Commission a document such as the one you have exhibited with respect to the 307 bales in respect of each of the items in the list ? Did you get one of those documents for each of the items in the list ?—We have, yes.

You told me a cheque accompanied the document as a rule, but I see under “ subsidy received,” you end about April, 1948. Did cheques
10 accompany those documents after that date ?—No.

EXHIBIT.—EXHIBIT “ E.”—Documents which support the first item on List 1 of Exhibit “ D.”

Mr. BARWICK : Did you prepare a similar summary and schedule in respect of the purchases of wool by the Plaintiff for the six months 1st July, 1948, to 31st December, 1948 ?—I did.

Are the figures on this document accurate of what they purport to be ?—All purchases on that document are confirmed by supporting invoices and receipts.

You have checked them ?—Yes, I have.

20 Mr. BARWICK : I tender this document, which is a summary of wool purchases for the period 1st July, 1948, to 31st December, 1948, both greasy and scoured.

EXHIBIT.—EXHIBIT “ F.”—Summary of purchases as described above.

Mr. BARWICK : I want to call your Honor’s attention to it because later your Honor will not necessarily find the figure 951, it may be on a greasy basis. Some of these have been converted to a greasy basis. The effect of what I have said, if your Honor will take it subject to proof, is if your Honor takes the front sheet of the summary of the total of bales, your Honor will see there has been an addition of greasy and scoured bales
30 without their being converted to a common basis, 3,487 bales. That includes 951 scoured, and the 3,487 mixed, as it were, is the equivalent of 3,688 on a greasy basis. (*To witness*) : Have you seen a summary of 201 bales with respect to some appraisal wool on hand at the Christmas close-down, 1948 ?—I have.

I want to ask you whether you have examined the invoices and documents with respect to the purchase of those 201 bales, and are you able to verify the percentage of deferred price and the amount of subsidy which was subsequently recalled in respect of those items ?—Yes. I will take the subsidy recalled first. That is taken from the Australian Wool Realisation
40 Commission’s own letters. As to the amount of deferment, I have inspected the invoices concerned and it is my opinion from the invoice that that was the deferred portion of the price.

You have had to calculate the percentage ?—I have had to calculate the percentage in each case.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff’s
Evidence.*

*No. 4.
K. W.
Scott.
Examina-
tion,
continued.*

*In the
High Court
of
Australia.
New South
Wales
Registry*

*Plaintiff's
Evidence.*

*No. 4.
K. W.
Scott.
Examina-
tion,
continued.*

*Cross-
examina-
tion.*

But was the percentage endorsed on the invoice, the percentage figure as distinct from the money figure?—The percentage figure was on the invoice in respect of 1942–43 and 1943–44, but for 1945–46 there was no such amount on the invoice.

And this 27½ per cent. is the figure you were given?—I was given that figure.

EXHIBIT.—EXHIBIT “G.”—Summary of 201 bales as described.

Cross-examined :

Mr. WINDEYER : As I understand it, your company buys through a buying broker, does it?—Yes. 10

I do not know why, but it seems to have been the custom in the trade to describe as a broker the selling broker and the other man as the buyer, but from your point of view, he is a buying broker?—Yes.

In the wool journal which you keep, do you enter wool as subsidised and unsubsidised?—No.

In your books, do you record wool as subsidised and unsubsidised?—No. At the time we kept a wool subsidised account recording the receipt of such subsidy from the Commission.

Did you keep some records in which you described wool as either subsidised or unsubsidised?—We keep our own records each season. 20 In that particular period we placed against each sale whether subsidy had been received or not received.

I only ask because of some use of the expression in the correspondence. You sometimes refer to wool as unsubsidised meaning thereby that it is wool in respect of which you have not received subsidy, is that so?—If we had not received subsidy on wool, it would still be unsubsidised as far as we are concerned.

So that as far as you are concerned the word “unsubsidised” does not necessarily mean wool in respect of which it is suggested you are disentitled to subsidy but wool in respect of which at the time of speaking 30 you had not received such subsidy?—Had not received such subsidy.

I notice your tabulation is generally speaking on the basis of number of bales and not weight in lbs.?—Yes.

Subsidy, of course, is calculated on weight in lbs., is it not?—It is, yes.

I am not suggesting that these figures are in any way inaccurate, but one bale of greasy wool varies in weight from another, I take it?—It does, yes.

And on an average do you know what the weight of a bale is?—I have been dealing with these things for quite a few years and I would say on an average 280 lbs. would be a fair average for a greasy bale. 40

You heard Mr. Barwick equating a number of scoured bales with greasy bales a moment ago, did you?—Yes.

Is that done on the basis that the average weight of a greasy bale is 280 lbs.?—Well, yes, you could work it back that a scoured bale—if you buy a scoured bale and keep a record of your purchases for 12 months you could give an average for scoured bales. It may be 230 or it may be 236, and you could get the yield and work it back to a greasy basis.

No. 5.
EVIDENCE of F. Payne.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

Mr. BARWICK : I call Mr. Payne.

FREDERICK PAYNE, sworn :

Mr. BARWICK : Your full name ?—Frederick Payne.

You are employed by the Plaintiff Company ?—Yes.

How long have you been employed by them ?—16 years.

And in what capacity are you presently employed ?—Cost Clerk.

And have you been employed in that position long ?—About 12 years.

10 You work, I suppose, at the mill, do you ?—Yes.

And there do you keep costing records ?—Costing and other records.

Included in the records you keep at the mill are there records which enable you to trace the history of any individual purchases of wool ?—Yes.

What is the system of recording ?—We receive a duplicate copy of the invoice and weight slips from our city office and from them I compile what we term a brand book.

That is a book in which the sheets are divided up like this ? Is that a specimen sheet of the brand book ?—Yes.

20 And in that you enter what in the first column ?—I start off with the name of the broker, the sale number and the date of sale, then the lot number and list the individual bales, and then I place the brand of that lot and the quality.

Having entered it there, does your Company store the wool in its own premises or in outstores as well ?—It all depends. Generally it is all at the mills. There are some pending at the brokers waiting for removal.

You enter this record, the brand book, on receipt of the invoice and the weight slip ?—Yes.

And subsequently the wool will no doubt be delivered ?—That is so.

30 What is done on delivery ?—Upon receipt of the wool into the mill we place a date stamp against the individual bale as it is received.

Mr. BARWICK : A date stamp where—in one of these columns ?—Yes, well not the column, alongside.

You put the date of receipt ?—Yes.

What is the next record made in relation to the wool ?—As a bale is required it is taken down from the store and the sorter sorts it into the various qualities that the bale contains and then it is stamped out of the register.

By register you mean brand book ?—Yes.

40 So you open it and after taking it out for sorting the entry is made in the brand book of the fact and the date ?—Yes.

Is there any record kept in relation to its sorting ?—Yes, we have the weekly sorting sheets.

*Plaintiff's
Evidence.*

*No. 5.
F. Payne.
Examina-
tion.*

In the
High Court
of
Australia.
New South
Wales
Registry.

Plaintiff's
Evidence.

No. 5.
F. Payne.
Examina-
tion,
continued.

Is that a specimen of the weekly sorting sheet ?—It is.

EXHIBIT.—EXHIBIT “ H.”—(1) Specimen of brand book or register.
(2) Specimen of weekly sorting sheet.

In this sheet you enter the date when it is taken out, is it, for sorting, on the extreme left-hand side ?—Yes.

Then the name of the broker, identity by sale number and the sorter is the employee, the brand of it and then there is the lot number, bale number, weight and quality and dissection into lots on the sorting ?—Yes.

And are those lots given numbers ?—Yes. 10

And the date of the week of the sheet is put on the top ?—Yes.

And are those sheets preserved ?—Yes.

Have you been through all these original documents in order to ascertain what stock of wool was on hand on the 30th June, 1948 ?—I have been through the records of the brand book and have compiled that.

And what purchases were brought to hand between June, 1948, and December, 1948 ?—I have identified those in the brand book.

And what stock on hand at the end of the period ?—I have compiled that.

And has a schedule been compiled which you verify ?—Yes. 20

Showing the stocks purchased and use of that wool in the six months in totals ?—Yes.

You have a copy, haven't you, of a summary of stocks purchased and usage for six months ended 30th December ?—Yes, they have not been numbered.

But you can identify the sheet with the one that I have (*showing*) ?—Yes.

It begins “ stock—30th June ” ?—It starts off with 262 bales.

Yes, that's right. Have you verified the figures on that sheet ?—I have. 30

And are they correct ?—They are correct.

EXHIBIT.—EXHIBIT “ J.”—Summary of stocks purchased and usage for six months ended 30th December, 1948.

Mr. BARWICK : Have you for the purposes of computing that sheet got a schedule in detail for that six months of the identity of all wool that was used, that is to say, the place where it was bought and sold ?—I have.

You have that sheet in your hand ?—Yes.

And are the figures on that sheet true and correct ?—They are correct.

Mr. BARWICK : I tender those sheets. Your Honor will see how it 40 is worked out. On the extreme left-hand are the weeks of the period of usage. Then as you go across in any week you find the wool that was used, like three bales, appraisal 85, from Geelong.

What is the "AP" ?—Appraisal.

Yes, 85, then there were seven bales, appraisal 84, from Melbourne and another five from Launceston—29—and then a series of bales from Sydney, appraisal. In that week there was some 1946–47 wool subsidised. (To witness) : By that you mean subsidy actually paid ?—Received.

Here again if one had to put this document against the last exhibit it would be necessary to convert the scoured bales to a greasy basis.

Your Honor will see that the total of scoured bales at the extreme right-hand end of the document and at the bottom, 886 bales—if your Honor had the last exhibit close by, your Honor would see that the usage of scoured bales is shown as 886 and then it is converted to 1,073 on a greasy equivalent and the total, 6,670, has to rise to 6,912 because of the conversion to the common greasy basis.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

*No. 5.
F. Payne.
Examina-
tion,
continued.*

EXHIBIT.—EXHIBIT "K."—Schedule showing for six months identity of all wool used.

Mr. BARWICK : Then you have two schedules showing a summary of the wool on hand as at 30th June, 1948, dissecting it into appraisement wool bales on which subsidy had been claimed and received, bales on which subsidy had been claimed and received, bales on which subsidy had been claimed and not received, and on scoured wool on which subsidy had been claimed and not received ?—Yes.

And are the figures in that schedule true and correct ?—They are true and correct.

Mr. BARWICK : This is the June stock, the summary as at 30th June, 1948, and this is a dissection of the 8,388 bales shown elsewhere and this again is on a mixed basis, it is not all reduced to a greasy basis, and subject to proving it, would your Honor note that 8,388 is equivalent to 8,443 on a greasy basis.

EXHIBIT.—EXHIBIT "L."—Two schedules showing summary of wool on hand as at 30th June, 1948.

Have you a summary of stock on hand at 31st December, 1948 ?—Yes.

Have you checked the figures and are they true and correct on that schedule ?—They are.

Mr. BARWICK : I tender that. This is a summary of stock on hand at the other end of the period.

EXHIBIT.—EXHIBIT "M."—Summary of stock on hand at 31st December, 1948.

Mr. BARWICK : Have you been through a summary of 201 bales of appraisement wool which was on hand at the closedown at Christmas, 1948, and is now Exhibit "G" ?—I have checked the bale portion of it—the number of bales.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

*No. 5.
F. Payne.
Examina-
tion,
continued.*

*Cross-
examina-
tion.*

Have you checked the figures and particulars which are on Exhibit "G" other than the percentage and amount of deferments and the amount of subsidy recorded—have you checked the other particulars?—Relating to seasons, yes.

And you have identified the bales with the season and their weight?—Yes.

And are the figures set out on "G" correct?—They are.

And then in the supporting sheets you have the detail of the three periods, the three bales in the 1942-43 season, 150 bales in the 1943-44 season and the 46 bales in the 1945-46 season and are those particulars all correct?—They are. 10

Cross-examined.

Mr. WINDEYER: You dealt, I think, with Mr. Nicholls, an auditor of the Australian Wool Realization Commission?—Yes.

He visited your office on several occasions?—Yes.

At the time that the Commission was compiling the matters which appear now in the letter of 25th February to which His Honor has been referred—do you remember that letter?—That is a letter headed "Finalisation of wool subsidy scheme scheme," and setting out present calculations as made by the Commission?—Yes. I have not seen the letter. 20

You dealt with Mr. Nicholls at all events?—Yes.

And I take it you showed him all the relevant books relating to the calculation of any matters that he was interested in?—I did.

I want to ask you about these Exhibits "J" and "K", "K" being the long sheet?—Yes.

They I take it are compiled from the information contained in your brand book and the weekly sorting sheets?—They are.

And where you speak then of wool used, you speak of usage of wool, you treat it as used at the time at which it is sorted?—Yes.

The process being I take it that wool comes in in bales, the bales are opened and the wool is sorted?—Yes. 30

And thereafter, if it be greasy, it is scoured?—Yes.

And thereafter it goes to carding?—Yes.

And then combing?—Yes.

Did you ever consider this question of usage from the point of view of the Commission's definition of usage?—I did not myself.

Did you ever see a letter (this is on p. 119 (*Record, Vol. II, p. 444*)) of the 15th December, 1948, which states what from the point of view of the Commonwealth would be wools eligible and ineligible for subsidy?—Most unlikely. I think I could safely say no, to the best of my knowledge. 40

His HONOR: Was that letter sent to the Plaintiff?

Mr. WINDEYER: Yes, it is a circular letter and it is admitted that all this correspondence in this book passed between the parties, either directly or to persons who were their agents.

His HONOR : Perhaps we should get that on the notes.

Mr. WINDEYER : That is one of the mutual admissions. In certain cases the documents were sent to Associations which were not parties.

Did you for example in calculating this question of usage—you treated as used greasy wool which was not in the original bales ?—Yes.

And of course, if for the purpose of determining usage, one is to say that wool is not used until it has passed the stage of sorting and gone at all events to the scourer, the amount of greasy wool on hand should be treated as not used. That is obvious isn't it ?—Well it is generally assumed that
 10 once the bale is sorted it is into production.

I know that is generally assumed but I am asking you to assume that sorting is not for the moment to be called usage ?—Yes.

Have you any information now available which would indicate how much greasy wool there was on hand at December, 1948 ?—We could supply that information.

Do you remember that was a matter which Mr. Nicholls asked about when he saw you ?—I don't think so.

You cannot remember now what particular matters he asked you about ?—No.

20 Do you understand this method of conversion of scoured bales to greasy bales that my learned friend mentioned ?—I know the theory of it but I don't know the actual figures used.

You don't know how the figures he has just given from the Bar table were arrived at ?—No, I don't know the actual figures used.

Mr. WINDEYER : Some of these sheets which my friend has produced I had not seen until he produced them and it may be after the gentlemen who are representing my clients have examined them I might wish to ask this witness a further question.

His HONOR : Yes.

In the High Court of Australia. New South Wales Registry.

Plaintiff's Evidence.

No. 5. F. Payne. Cross-examination, continued.

30

No. 6.

EVIDENCE of G. B. Henderson.

No. 6. G. B. Henderson. Examination.

EXHIBIT.—EXHIBIT “ N.”—Commonwealth Bureau of Census and Statistics—C Series Retail Price Index

Mr. BARWICK : I call Mr. Henderson.

GILBERT BRUCE HENDERSON, sworn :

Mr. BARWICK : Is your full name Gilbert Bruce Henderson ?—Yes.

And are you a partner in the firm of Biggin and Ayrton wool buyers and brokers of Melbourne ?—I am.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

*No. 6.
G. B.
Henderson.
Examina-
tion,
continued.*

And have been a partner of that firm for a considerable time ?—Yes.

Have you been associated with the wool industry as a wool buyer, both buying for local principals and overseas principals for some 33 years ?
—That is correct.

And you are thoroughly acquainted with the various phases of wool buying and selling in Australia ?—Yes.

And throughout the War were you a Government appraiser ?—Yes, I was.

Appraising wool on behalf of the Central Wool Committee first and afterwards on behalf of the Australian Wool Realisation Commission ? 10
—Yes.

And while an appraiser did you do any buying ?—No, we were not allowed to act as buyers.

Were they allowed to act as brokers for arranging transport and all that sort of thing ?—Yes, shipping brokers really.

Do you remember during the appraisal period of wool, that is prior to the recommencement of free auctions whether you had anything to do with the invoicing of goods, of wool bought for—not by your firm—the Plaintiff ?—My firm did collect the invoices from the various firms and from the various selling brokers and then submitted the invoice to the 20
A.W.M. and arranged the shipping.

I want to take the wool seasons 1942–1943 and 1943–1944 ; did you personally have to do with the receipt of invoices from the selling brokers, the invoices to the Plaintiff Company for appraised wool bought by the Plaintiff Company ?—Not personally, but my firm did.

Your firm having received invoices from the selling brokers addressed to the Plaintiff ; did your firm make out another invoice ?—That is correct.

Addressed to the Plaintiff ?—Yes.

As from your firm ?—From our firm.

30

Showing the particulars that were on the selling broker's invoice plus your own charges and so on ?—That is correct.

I want to show you some invoices from your firm for the wool season 1942–1943. I pass you that bundle. Is that an invoice of the kind you were mentioning, an invoice made out by your firm not as selling or buying brokers, but as shipping brokers ?—This is an invoice made out by us.

To the Plaintiff ?—To the Plaintiff, yes.

And would the information in that invoice duplicate the information as to the purchase, apart from your own charges, on an invoice from the selling broker to the Plaintiff ?—Yes.

40

Received by you ?—Yes, that is correct.

Would your firm still have—would you have kept the invoices received by you on behalf of the Plaintiff from selling brokers in connection with appraised wool throughout the period 1942–1943 and 1943–1944 ?—No, we would not have those now. We only keep them about three years.

Of course, the selling brokers would be selling in that year 1942–1943 on behalf of the Central Wool Committee ?—Yes.

And under its instructions ?—Yes.

Do you see on those invoices an endorsement at the end with respect to the deferment of price ?—Yes.

What can you say with respect to that endorsement in relation to the invoices received from the selling brokers of the Central Wool Committee ?—This would be the same endorsement as was on the selling broker's invoice.

Are you able to say was that endorsement a regular feature of invoices from the selling brokers in that season ?—Yes, that was always on the 10 invoices that we received.

On that there is a red mark which refers to three bales ; you see marked there an item beside the number 596 ?—For four bales.

Four bales ?—Yes.

Is that an item of appraised wool out of the season 1942–1943 and in respect of which your firm acted as a shipping broker in relation to the Plaintiff ?—Yes. It is all on the same invoice with the previous lot.

Is there another red mark on that invoice ? Perhaps I need not trouble the witness. I will tender this invoice because these two numbers when Your Honor looks at them correspond with the lot numbers in the 20 second sheet of Exhibit “G.” They relate to three bales of wool referred to on the second sheet of Exhibit “G.” Your Honor will have to find them marked with a red pencil and the lot numbers correspond with the lot numbers in the exhibit. The endorsement I called attention to Your Honor will see in typed script. It is “the price deferred or contingently payable under the Wool Export Regulations.” Your Honor will see on that particular invoice that the price was 25 per cent. on and 10 per cent. on appraisement. At that time 25 per cent. immediately payable and 10 per cent. deferred. Subsequently, I think, that was reversed, but at that time that happened to be the percentages charged.

30 EXHIBIT.—EXHIBIT “O.”—Invoice relating to three bales ex-1942–1943 season part of 201 bales on hand at Christmas close-down 1948 as per Exhibit “G.”

Mr. BARWICK : I want to give you another bundle of invoices and receipts which relate to purchases of appraised wool in the season 1943–1944 and I want you to look at the endorsement on these invoices which are from your firm. Can you tell me whether as before those endorsements are a duplication of endorsements on the selling broker's invoices in respect of the same wool ?—That is correct.

Mr. BARWICK : I tender the bundle, Your Honor. The lots are 40 marked and they will correspond with the total of 150 bales mentioned on the first sheet of Exhibit “G.” The endorsement is as before and it occurs in a number of places.

His HONOR : Do you want to tender the whole bundle ?

Mr. BARWICK : Yes, because throughout them the whole thing recurs.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

No. 6.

*G. B.
Henderson.
Examina-
tion,
continued.*

*In the
High Court
of
Australia.
New South
Wales
Registry.
Plaintiff's
Evidence.
No. 6.
G. B.
Henderson.
Examina-
tion,
continued.*

EXHIBIT.—EXHIBIT “ P.”—Bundle of invoices for 1943–1944 season.

Mr. BARWICK : I show you a further bundle of invoices in relation to the wool out of the wool season 1945–1946, invoices from your firm. You will observe that those invoices bear no endorsement as to deferment of any part of the price ?—There is an endorsement that the 10 per cent. additional is still the same.

But that was immediately payable ?—Yes. There is no further endorsement.

The invoices in this season I show you were made up only for the immediately payable price ?—Yes. 10

None of the deferred price appears on the invoice ?—No, that is correct.

And there is no endorsement ?—No.

EXHIBIT.—EXHIBIT “ Q.”—Copy notice to approved Wool selling brokers price of wool to manufacturers (from N.S.W. State Wool Committee).

Mr. BARWICK : I tender invoices 1945–46 relating to 46 bales, inter alia.

EXHIBIT.—EXHIBIT “ R.”—Invoices 1945–46.

Mr. BARWICK : During the time of appraisal there was a table of limits in use wasn't there ?—Yes. 20

And for the purpose of applying the table of limits had the wool to be typed ?—Yes.

And was the typing of the wool, the nature of the type of it, communicated by the appraiser or the Commonwealth Committee—whether it would be the Commission or the Central Wool Committee—to any person ?—Not outside the appraisers themselves.

Did the invoices in particular bear any information as to the type ?—None whatever.

That was a trade secret of the Committee or the Commission as the case may be ?—Yes. 30

During 1945–46, would there to your knowledge be a large stock of wool on hand held for Great Britain by The Central Wool Committee and later by the joint organisation. (*Objected to ; withdrawn.*)

To your knowledge was there a large stock of wool on hand in Australia in 1945–46 ?—Yes, we knew there was a large stock.

And in 1945–46 to your knowledge were you participating in sales of the wool in stock to overseas buyers and local buyers ?—Yes, very big sales were made in that year for overseas.

And at what prices ?—At the export issue price.

Was that the price which had been fixed for the sale of wool to 40 neutrals from the inception of the scheme ? (*Objected to.*)

I am asking you, do you know ?—I think it was the same price as fixed throughout the period.

Can you be any more certain than that?—As far as I remember we only had the one export issue price. It was given to us by the Central Wool Committee—one set of prices.

How much was it on appraisal?—It was approximately 35 per cent. above appraisal.

During that period whilst there were sales of stored wool at export issue price in that season, that is before the resumption of auctions, what price in relation to appraisal price was wool being sold for local consumption?—That was appraisal price plus 10 per cent.

10 Did you actually buy for overseas clients portions of this store wool?
—Yes.

At export issue prices?—Yes.

And did you buy any of it for other than overseas clients?—In season we bought for local processing which was later to be shipped, so it really was for export but local processors were allowed to buy it.

His HONOR: I am not clear as to the definition of that expression “export issue.” Is it shown in any document?

Mr. WINDEYER: No. I am not conceding that such explanation can be given by this witness.

20 Mr. BARWICK: You do not dispute there was an export price?

Mr. WINDEYER: No, but it is a very complicated calculation.

Mr. BARWICK: I was asking about these sales and to your knowledge was a very considerable quantity of this stored wool sold by private sale in that fashion before the opening of the auctions?—Yes.

Mr. BARWICK: The extent of this can be actually learned from page 57 I think it is, of the Statistical Hand Book of the Sheep and Wool Industry and that page I will tender. That will show the wool diminution in store. There is one other page. It is 75, which shows the actual movement of these stocks in bales. I tender those two pages of this
30 Statistical Hand Book of the Sheep and Wool Industry. Broadly, I think it shows that during that season, 1945–46, the movements included about 4½ million bales, and I think the total held was in the order of 7 million bales from the inception.

EXHIBIT.—EXHIBIT “S.”—Pages 57 and 75, Statistical Hand Book of the Sheep and Wool Industry.

Had the trade, as it were, those familiar with the industry, formed to your knowledge a view of the prospects for the trade when the auctions were about to open?—It was our opinion that that period would see rising prices owing to the strong world demand for wool.

40 And that opinion was held, about when?—I should think approximately six months at least before the auctions were resumed.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

No. 6.
G. B.
Henderson.
Examina-
tion,
continued.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

*No. 6.
G. B.
Henderson.
Examina-
tion,
continued.*

The grounds for that view were what?—The world shortage of wool in all the manufacturing countries and the huge demand that was required to fill the pipe line, as we called it.

You mean to get an out-turning of cloth there is wool on the water and wool in store and in scour and through the mill, and between the two points there is a vast amount of wool?—Yes, there is.

Was that view held by the trade at earlier periods?

Mr. WINDEYER: I object. I understood he was speaking from his view. I took it he was speaking of his firm.

The WITNESS: That was our firm's view. 10

Mr. BARWICK: Had you earlier held the same view or had there been any change in the view?—Before, 18 months beforehand, we were not of that opinion because we did not expect this sudden demand or the wool to be cleared as it were before the auctions started. We did not expect that 4½ million bales to be moved and we were rather of the opinion before that that there might be some difficulty in selling some of the wools, particularly the more burry types.

Due to the lengthy time it had been in store?—Yes.

Had your opinion as to the state of the continental mills changed?—Yes, early on we thought the mills had been badly damaged. That was 20 proved to be incorrect.

By six months before the auctions you knew to the contrary?—Yes.

So you knew there would be a rise on the resumption of auctions?—Yes.

His HONOR: Commencing from June, 1946?—Yes.

Mr. BARWICK: And the opening of the wool season was what?—September.

In that year, 1946, what was the shipping situation; had it improved?—That had improved considerably.

And you anticipated that would have an effect on the price at the 30 auction?—Yes.

And did you, in your business, keep in close touch with world movements so far as they affect your trade?—Yes.

And I suppose to the extent to which you got buying commissions and to the extent to which you saw activity, are you able to tell us—do not answer this until my friend has had an opportunity—that others in the trade share your view?

Mr. WINDEYER: I object.

Mr. BARWICK: Very well. Now you knew at the time that price control was operating?—Yes. 40

Are you able to tell us whether if price control operated to maintain the level existing as at the date of resumption of the auction, the price rise

that you anticipated would be obtained at the auction would have allowed local manufacturers to buy, manufacture and sell at the fixed price. (*Objected to ; pressed.*)

Mr. BARWICK : I will put it another way.

Did you anticipate at this time, before the auctions began, that the price at auctions, when they were resumed, would exceed the appraised price plus 10 per cent. ?—I certainly did.

Did you anticipate that they would exceed that price by a substantial amount ?—Yes.

10 What percentage did local manufacturers take of the annual clip in a broad cross section ?—Between 10 and 15 per cent.

I omitted to ask you the size of this firm of yours ?—We are one of the largest wool-buying firms in Australia.

In the course of your business, have you in the past, apart from the appraisal period, bought wool to the instructions of manufacturers from time to time ?—Yes.

Have you a buyer called Mr. Harrison ?—Yes, we have, and he is now a partner in the firm.

20 Do manufacturers require as a rule specific types for their particular form of manufacture ?—Yes, definitely.

And at times are the types very narrowly prescribed by them ?—Yes, each mill has their own particular class of wool which they want and it may be only two or three qualities.

And do you find that in order to get them their requirements of types you have sometimes to confine your buying to limited periods of the season ?—Yes.

And to limited places of sale ?—Yes.

Have your firm bought for the Australian Woollen Mills over a long period of years, I think, over 20-odd years ?—Yes.

30 And you are familiar with their requirements in relation to types of wool ?—Yes.

And from what source in the ordinary run of seasons do you expect to get for them their requisite type in sufficient quantity ?—Mainly out of Geelong.

That is when you buy for the Australian Woollen Mills in Victoria ?—When their representative is not there we buy direct.

It is in Victoria that you are functioning for them ?—Yes.

In Southern sales ?—Yes.

40 Is there any time of the year when their type of wool is available more than any other time ?—Yes, it is narrowed down to a very small period—November to December and the first few months of the New Year.

And during that period has it been your practice over these years to buy for the Plaintiff a very substantial quantity of its total requirements ?—It has been the custom to buy in that period.

And has that involved you in buying a very substantial part of the offering at the particular sale, of the particular type of wool ?—Yes, it does.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

No. 6.

*G. B.
Henderson.
Examina-
tion,
continued.*

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

*No. 6.
G. B.
Henderson.
Examina-
tion,
continued.*

*Cross-
examina-
tion.*

I think you were present at a sale in Geelong in December, 1947?—
Yes.

You were not buying at that time?—I was not in the seat, no.

But you remember the auction when purchases were made for the
Plaintiff of a particular type of wool?—Yes.

Was the way in which the bidding was done, the margin by which
it was raised or the quantity which was purchased abnormal in any way
for the Plaintiff's business?—No, it was not; it was normal.

And I think it was Mr. Harrison who was doing the buying on that
date?—Yes.

10

Cross-examined :

Mr. WINDEYER : Will you tell us your knowledge of the way in
which the wool trade was organised during and after the war? You have
said, I think, that during the war, there was a system of selling wool by
appraisalment?—Not selling wool by appraisalment. The wool was
appraised.

Well the wool was appraised. By appraisalment was meant that an
expert known as an appraiser arrived at the value of a particular bale of
wool?—Yes.

And he did that by first determining what was the type of wool in 20
accordance with a list of types called a table of limits?—That is correct.

And then having determined the type he determined the yield—
is that correct?—Yes.

And by the yield was meant a percentage calculated in reference to
the clean scoured product of that bale?—Yes.

Or rather the notional clean scoured product of the bale?—Yes.

And from a series of values shown in the table of limits which were
based upon 100 per cent. clean scoured yield in respect of each type he
got the actual value per pound of the wool in that bale?—Correct.

Mr. WINDEYER : It is not that anybody does not know this, I just 30
want you to consent to it if you will. Then the grower of the wool was
paid for his wool, firstly, the appraised value arrived at in that way and,
secondly, an additional sum called the flat rate adjustment; do you know
that?—I was not aware of that.

Were you aware of the price which the manufacturer paid for wool
which he acquired?—No, I was not aware of that.

You only know that in some way it was related to appraisalment?—
Yes, I knew that.

Because you were an appraiser?—Yes, because I was an appraiser.

But what use was made of your appraisalment for the purpose of 40
determining the price which the local manufacturer or the overseas
consumer should pay you did not know?—I knew what the overseas
consumer would pay, it was part of my job.

He paid the export issue price?—The export issue price.

It was a price notified by the Central Wool Committee?—Yes.

And which I suppose you know had its origin in a consideration of conditions prevailing in the United Kingdom?—Yes.

And which you indicated you thought was 35 per cent. according to your description on the appraisalment price?—Yes, it varied with the different types.

That is what I was going to say, the export issue price was not a uniform increase on appraisalment, was it?—No.

It varied with different types?—It was approximately all round about 35 per cent.

10 It may have been all round, but in some cases it was lower, was it not?—Yes, and in some cases it was higher.

The export issue price was not a mere percentage addition to the appraisalment price, in some cases it was lower than the appraisalment price and in some cases it was higher?—No, not lower than the appraisalment price.

Lower than 35 per cent.?—Yes.

Was it not lower than the appraisalment price?—Not to my knowledge.

20 At all events, all you know is that it was in your view always an addition to the appraisalment price—a variable addition?—Yes.

In the year 1945–1946, the wool season 1945–1946, what were you doing, were you then an appraiser?—I was still an appraiser, yes.

Appraisalment was still going on then, was it not?—Yes.

But were you concerned with the invoicing of wool to local manufacturers in the year 1945–1946?—My firm was.

And you have shown us, I think, that the invoices took a different form?—Our invoices were the same throughout.

The endorsement on them was in a different form?—Yes.

30 Do you know of your own knowledge or did you ever hear the year 1945–1946 described as the interim year?—No.

As far as you were concerned, you were just an appraiser carrying on this system of appraising wool as you had during the earlier years?—That is correct.

And the manner in which the wool was invoiced to customers was not a matter which concerned you personally?—No, not personally.

And the auction system started, I think, in the year 1946–1947?—Yes.

And did you continue as an appraiser thereafter?—No.

40 After auctions were commenced appraisalment did continue for the purpose of arriving at the basic price in order to calculate subsidy to manufacturers; do you know that?—I knew that.

You remember that appraisalment went on?—That is correct.

As it had theretofore?—Yes.

But not for the purpose of calculating price to user but for the Australian Wool Realisation Commission to calculate basic price for subsidy purposes?—That was one of the reasons.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

No. 6.

G. B.
Henderson.
Cross-
examina-
tion,
continued.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiffs'
Evidence.*

No. 6.
G. B.
Henderson.
Cross-
examina-
tion,
continued.

His HONOR : Do you mean not for the purpose of calculating price to the user ?

Mr. WINDEYER : Yes, not for the purpose of calculating the invoice price to the user.

(*To witness*) : You say that was one of the reasons. I do not want to prevent you giving any information you wish on the matter. What other reason would it be for ?—The other reason was to protect the floor price.

Yes, for the purpose of enabling the Joint Organisation to know a price which it should endeavour to maintain ?—Yes. 10

By itself bidding at auction, if necessary ?—Yes.

No. 7.
C. B. King.
Examina-
tion.

No. 7.
EVIDENCE of C. B. King.

Mr. BARWICK : I call Mr. King.

CECIL BRUCE KING, sworn :

Mr. BARWICK : Is your name Cecil Bruce King ?—That is so.

And you are manager of the mill of the Plaintiff company ?—That is right.

Have you held that position for 2½ years ?—That is correct.

Prior to that you were Assistant Manager to the late Mr. Horace 20 Parkin ?—Yes.

And you have been at the mill since 1945 ?—That is right.

And had experience in various departments ?—That is correct.

And as manager you are now in charge of production ?—That is correct.

And are the records of production and costing under your control ? —Yes.

And have you officers like Mr. Payne and others actually working the records ?—They handle the different departments of the mill.

Are you yourself familiar with the matter of costing a piece of cloth ? 30 —Yes, I am.

I want to ask you have you given some consideration to making a comparative costing of the same type of cloth manufactured from appraised wool—you know, so much on top of appraisalment—and then wool bought and subsidised, and thirdly wool bought in the market and not subsidised ? —That is so.

For the purpose of making this comparison have you directed your mind to the wool element of the cloth apart from the conversion costs and other matters of manufacture ?—That is right.

You have just made a comparison of the wool cost as it were as part of the total cost?—That is true.

And in order to make the comparison first of all have you taken a type of wool which is ordinarily used by your mill in the manufacture of certain cloth?—We have taken a quality which is more or less our standard quality for our serges.

Can you tell us the count of the wool which you chose?—Sixty-fours.

Mr. WINDEYER : That is Bradford 64's?—Yes.

10 It is not Number 64 in the Table of Limits?—It would be equivalent to Bradford 64's.

Mr. BARWICK : You have then taken a particular type of cloth for manufacture—what cloth have you taken?—We have taken one of our first-class serges which we make from that particular quality of wool.

You know what quantity of yarn you would need to make a given quantity of that cloth?—That is right.

And in order to make this computation have you taken the experience of your own mill in relation to the quantity of yarn your mill needs to make the cloth in your mill?—That is right.

20 Then are you familiar with the quantity of raw wool that you need to bring it up to the yarn stage?—Yes.

And have you taken that from your own experience in the mill or on an industry basis?—No, taken from our own experience.

You might tell me for the purpose of making these calculations whether you have used the same formula in each calculation to make the comparison?—Yes.

You might tell us what is the percentage of the yield of top and noil from the wool have you taken?

30 Mr. BARWICK : Might the witness see the document? (*Document shown witness.*)

(To witness) : Mr. King, you are familiar with the document, I think it is your compilation?—Yes.

Are the matters stated in that document true and the calculations correct?—In every respect, yes.

Mr. BARWICK : I tender that, Your Honor.

EXHIBIT.—EXHIBIT “T.”—Calculations of Mr. King. (3 sheets.)

40 Mr. BARWICK : Before wool is taken from the store in the mill to be sorted, is there any request or demand made for the type of wool that is to be brought out?—Yes, that is consistent with the requirements of our sales department.

In your mill do you as it were make for stock or make for customers' orders as a rule?—No, we actually make to the requirements of the sales department.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

*No. 7.
C. B. King.
Examina-
tion,
continued.*

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

*No. 7.
C. B. King.
Examina-
tion,
continued.*

So that when any wool is removed from store to be sorted it is to be manufactured into a specific cloth?—That is correct. We select the particular qualities, bales of wool, to fulfil one particular order and that is then brought into work immediately.

When you say brought into work, it is brought out of the bale, it is sorted?—Yes, once the bale is broken to us the wool is then in process.

It is sorted into bins, I suppose, to keep it separate?—That is for convenience.

And is it at some stage subjected to a blending process with wool from different bales?—It is being continually blended as it is sorted. 10

Part of the sorting process is to blend it?—That is correct.

And the blend is made appropriately for the ultimate cloth you are to produce from it?—That is right.

Have you checked a declaration which was made in February, 1949, I think, to show the amount of work in progress as it were, wool in the course of work, on hand at the Christmas close-down, 1948?—That is correct.

In this book, I think at about p. 135 (*Record, Vol. II, p. 467*) that letter is referred to. It is a 12th January document, and in so far as that refers to stock-on-hand have you checked it and found it to be accurate?— 20
Yes. There are two slight discrepancies in actual weights, but the quantities come well within the limits allowed.

When you talk about the limits allowable what were the limits you had in mind for the purpose of that answer?—Ten weeks.

Ten weeks' production?—That is right.

So may we take it from you that there was less than ten weeks' production of wool in process at the close-down?—That is correct.

This company, the Plaintiff, is a manufacturer of cloth?—We are manufacturers of worsted cloth.

Do you scour?—We scour. 30

Do you make up your own cloths?—Yes.

Yarns?—We card yarns and spin.

For the purpose of your own manufacture?—For our own consumption entirely.

Is there any sale of anything except wastes and noils?—None whatever.

So any combing and spinning you do is for the purpose of your manufacture?—Entirely, yes.

*Cross-
examina-
tion.*

Cross-examined :

Mr. WINDEYER : Do you remember a letter of 15th December, 1948, 40
it is p. 119 (*Record, Vol. II, p. 444*). Do you remember that letter which dealt with the manner in which the Wool Realisation Commission proposed to make a final adjustment of the wool subsidy scheme?—No, I am not too conversant with that letter.

When you told my friend just now that you remembered this document which is said to be at p. 135 (*Record, Vol. II, p. 467*), you do not remember one way or the other?—No, I verified those figures from our stock sheets.

Mr. BARWICK : It is 133 (*Record, Vol. II, p. 465*); it is Declaration "D."

Mr. WINDEYER : Did you make that declaration ?—No.

You say you know it is correct ?—That is correct.

Did you ever notice that it is submitted in respect of wool described in sub-paragraphs 3 (E) and 3 (F) of the letter of 15th December, 1948 ?—I was given figures to verify. As far as any information on this particular declaration goes, I have no knowledge.

I understood you to tell Mr. Barwick that the figures in it are correct ?

10 Mr. BARWICK : Or substantially correct ?—Substantially correct, yes.

Mr. WINDEYER : Did you realise that the whole of it relates to semi-manufactured stocks and work in progress and noils and wastes as defined in the letter of 15th December, 1948 ?—I was given that instruction, that those were the figures required to confirm this Declaration "D."

Mr. WINDEYER : But you regard as stocks in process of manufacture all wool from the time the sorting process starts ?—Yes.

Have you a copy of the entry "stock as at 31st December, 1948" ?—Yes.

20 "Carding and combing section including stocks of combed wool" ?—Yes.

That I take it is wool which is already in the carding and combing section of the mill, isn't it ?—Correct.

In other words, it is wool that has been sorted, blended, scoured and has reached the cards ?—In process.

Well, it is wool at all events that has got as far as the cards, is that so ?—A percentage of it, not the total quantity.

His HONOR : Got as far as the carding and combing section.

30 Mr. WINDEYER : Only a percentage of it has got so far as the combing section ?—I think you will notice it says stocks of combed stock is included in that figure.

Including stocks of combed stock—some of it you mean has passed the combing stage ?—Yes.

Yes. I am not really interested in how far it has got but where the starting point is, rather than the finishing point ?—Yes.

Perhaps you could make it clearer if you explained, or perhaps agreed with me as to the process of manufacture. First of all the bales are opened, wool is sorted and blending starts at that stage ?—That is correct.

It is then scoured, is it ?—Yes.

40 And after being scoured, before carding starts, is anything done to it ?—It is dried after scouring.

And it is oiled, isn't it ?—No, not at that stage.

It is simply scoured, dried, and then goes to the cards ?—Yes.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence*

*No. 7.
C. B. King.
Cross-
examina-
tion,
continued.*

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

*No. 7.
C. B. King.
Cross-
examina-
tion,
continued.*

And carding consists of combing—well, it is a preliminary process to combing?—It is a prior process to combing.

What happens when the wool is carded?—The fibres—the endeavour is to lay the fibres in parallel, in a sliver form.

Is a certain amount of material extracted from it at that stage?—There is a percentage of waste.

Having passed the carding operation, it is combed?—That is correct.

And the process of combing produces tops and noils?—That is so.

The top being the part which you are interested in for the purpose of spinning it into yarn?—Yes. 10

And the noils I suppose really go to the woollen trade?—Yes.

You are worsted manufacturers?—Yes, entirely.

So the noils as far as you are concerned are a by-product which go to buyers for the woollen trade?—That is so.

When you were explaining that this statement was correct, you say you did not have in mind at all the letter of 15th December, setting out the headings under which this usage was to be classified—you did not have that?—No, that is correct.

But when you say that the stock in the carding and combing section was the amount there shown, does that include any wool which had not reached the stage of carding?—Definitely not. 20

There is a figure for drawings and rovings. Would I be correct in putting it briefly this way, that drawings and rovings are wastes from the spinning process?—No, they are not, they are a prior operation to spinning.

Perhaps not waste, but they are by-products are they?—No.

They are a prior operation to spinning?—Yes.

And do drawings and rovings themselves all become spun yarn?—No, there is a percentage of waste from drawings and rovings.

Wool having been carded and combed, what is the next process?—Drawing. 30

And after drawing?—Spinning.

And the drawings and rovings are the products of what, the drawing process?—Yes.

You give a figure for drawings and rovings. That is tops which is on the way to becoming yarn, is it?—No, that figure refers to actual drawings in the course of process. After the top comes to the drawings, once it starts into the drawings it becomes a drawing. That section of the mill covers either drawing or roving.

That then is the amount of wool which at that stage is in the drawing section, is it?—Yes, in that particular department or relative to that particular department. 40

And machine yarns is the amount which you have at that stage—in stock?—In stock plus on machines.

And you refer there to machine yarn. Did you have any fingering yarn?—No.

You never noticed that those stocks are described in terms which relate to an earlier communication or are described in a classification set out in an earlier letter from the Wool Realization Commission?—No, I have no knowledge of that.

You said, of course, you do comb and spin as an essential process in worsted manufacture?—In the manufacture of a worsted cloth, yes.

You are not a comber-spinner for the purpose of producing tops for sale to other manufacturers?—No, that is correct.

10 This refers to a matter on p. 121 (*Record, Vol. II, pp. 446-7*), your Honor. If one was describing the process of wool manufacture up to the stage of yarn?—Yes.

You would not be described as a wool comber only?—You may not be a wool comber even though you spin yarn.

No, but in your particular case you do comb wool. You in the course of your manufacturing submit wool to the process of combing?—That is correct.

But you are not wool combers only?—No.

You carry it several stages further?—Yes, to the finished cloth.

20 And do you carry it to the stage of comber-spinner?—Yes, and we go beyond that.

You are not a woollen manufacturer?—No.

And it is only because it appears here, but I suppose it is hardly necessary to ask you, you are not a hatter?—That is correct.

You would say on no interpretation of the term are you a hatter?—That is correct.

I wish to refer now to the communications from the Commission. There is no suggestion, of course, that you are a manufacturer of carpets or furnishing felts—your company?—No, we are strictly worsted cloth manufacturers.

30 And not worsted for drapings or upholstery?—No.

Worsted cloth for making suit lengths?—Yes.

The general system of price control was this, wasn't it, that the Commonwealth controlled the price of cloth?—That is correct.

Until the State took over control in September, 1948, is that right? Yes.

And after September, 1948, as we know, a claim was made by the Wool Realization Commission upon your company for a refund of some subsidy which had been paid?—I am not familiar with that.

You are not familiar with the payment of £67,000?—No.

40 You are the general manager of the company?—No, manager of the mill only.

You know nothing about that side of it?—No.

I take it you don't know anything about the system of price control?—No.

Do you know about the system of buying wool in operation at different times?—No, that is not a matter for me.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

No. 7.
C. B. King.
Cross-
examina-
tion,
continued.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

You do not know anything about appraisalment prices?—No, all that was handled by the late manager.

You have no knowledge of the working of the appraisalment system?—No.

Or of the subsidy system at all?—No.

*Plaintiff's
Evidence.*

No. 7.
C. B. King.
Cross-
examina-
tion,
continued.

No. 8.

EVIDENCE of E. H. Gifford.

No. 8.
E. H.
Gifford.
Examina-
tion.

ERIC HAMMIL GIFFORD, sworn :

Mr. BARWICK : Your name is Eric Hammil Gifford and are you a director of the plaintiff company?—Yes. 10

And you have been a director since July 1946?—That is so.

But you have been in the employ of the company for a much greater length of time?—Yes.

Have you had charge of the sales organisation of the plaintiff company for the past 23 years?—That is right.

Have you still that position, control of the sales organisation?—Yes.

During the last war price control was operating throughout the war, was it not?—Yes.

And during the war period your company manufactured goods for military purposes?—That is true. 20

And, I take it, at times manufactured piece goods for home consumption too?—That is true.

Did the price control operating affect your piece goods for home consumption?—Yes, it did.

And you remember the Federal price control extended up to September, 1948, and thereafter the State?—Yes.

And was it your function for this company to be in constant or frequent touch at any rate with the price fixing authorities?—It was.

And did you conduct negotiations with them on occasions on behalf of the company?—That is true. 30

And for that purpose, I have no doubt, interviewed officers of the price control both here and in Canberra?—That is true.

Where a price was specifically fixed in relation to cloth sold by your company, was it done by notification of some sort to you—your company?—That is correct.

And did you know the components of the price as far as you were concerned?—Yes.

I take it the actual final price varied at times but the components which went to make it up remained constant?—Yes, that is true.

Was the yarn price fixed and to that price of yarn were added certain conversion costs to produce the finished cloth?—Yes. 40

Now those conversion costs, were they particular to your establishment ?
—Yes they would be—a specific conversation cost on any particular cloth.

But as far as the yarn prices were concerned were the components of the yarn price particular to your mill or were they on an industry basis ?—No, on an industry basis.

What were the components of that ?—You would have your cost of your wool, the appraised price of wool, plus whatever it was, plus the conversion cost of bringing that wool into the yarn state and on to that they added the conversion cost.

10 And those conversion costs were on an industry basis ?—Yes.

Throughout the time—both State and Federal time—did the raw wool factor in this price vary ?—No. It did not vary, the only thing that varied was a percentage, that has been explained in Court.

They varied according to the price charged by the Central Wool Committee ?—That is so.

You prepared I think a statement of the selling prices charged by your company between the 30th June 1948 and the 31st December 1948 and I think during that period the changeover from Federal to State control occurred ?—That is true.

20 And is that schedule correct ?—Yes, those prices are correct. That document is correct.

You have told us the basic wool price remained constant. Was there some exception in relation to that in this six monthly period ?—Yes, there was in the periods five and six—the State Prices Branch had taken over and they started what they called an averaging fund. They anticipated of course when we came off the subsidy we would be paying considerably more for our wool and they did not want the impact of those higher prices of wool to come on the community straight away, so they gave us an increase of eight to twelve which had no relation to the price of wool or the conversion,
30 but to start a pool or a fund from which they could cushion the increase in the price of wool. Those are the two numbers, five and six on the schedule.

The idea apparently was that instead of having one large jump you would have two small ones first, the sum derived from the price increase being put on one side to be paid out to average when the subsequent increase in wool price became dis-proportionate to the former price ?—Yes.

But apart from that the other statement you made is true ?—Yes.

EXHIBIT.—EXHIBIT “U.”—Statement of selling prices charged by Plaintiff Company, 30/6/48–31/12/48.

Mr. BARWICK : During that six months was any greater price
40 charged by the company for this cloth by reason of the nature of the wool used in manufacture, that is to say whether it be subsidised wool or new season’s wool or appraised wool ?—No, there was no alteration in the price on that account. The wool content did not make any difference to the price.

So far as the price was concerned there was no advantage in using one sort of wool rather than another ?—That is right.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff’s
Evidence.*

No. 8.
E. H.
Gifford.
Examina-
tion,
continued.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

Are you able to tell us whether, had there been no subsidy paid after auctions were resumed, whether your company could have carried on, bought against world buyers and continued to manufacture? (*Objected to ; pressed.*)

His HONOR : Perhaps you could reframe it.

*Plaintiff's
Evidence.*

No. 8.
E. H.
Gifford.
Examina-
tion,
continued.

Mr. BARWICK : Assuming had the price control remained with the same price structure in your case and had there been no subsidy, would your company have bought wool against all buyers and carried on?—We could not have bought wool and converted it into cloth and sold at prices fixed by the Prices Branch unless we had that subsidy, because the Prices Branch apparently considered we did have the subsidy in fixing our prices. 10

Cross-examined.

Cross-
examina-
tion.

Mr. WINDEYER : The price of wool is an important element in the price of cloth?—Definitely.

You told us I understood a few moments ago that whether wool was subsidised or not subsidised in a period of six months you have mentioned would have made no difference to the price of cloth?—I do not quite get that.

I understood you to say, in reference, I thought, to this schedule 20 which you produced, that the price of raw wool and whether subsidised or unsubsidised made no difference to the company's selling price between 30th June, 1948, and 31st December, 1948.

Mr. BARWICK : He said nothing about the price.

Mr. WINDEYER : What do you say as to that?—If we had been buying wool and not received the subsidy we could not have sold that cloth at a profit or continued to operate without that subsidy, because the Prices Branch had fixed the price as though we were receiving subsidy so we carried on on the understanding that we would get the subsidy and the Prices Branch carried on as if we would get the subsidy. If we had not 30 got the subsidy we could not have bought the wool and made it into cloth and sold it.

Mr. WINDEYER : Did you make any representations to the State Prices Branch for an increase in price on the basis that you were not getting subsidy?—The position was that up to the end of the year we anticipated, of course, we would get subsidy so there was no need to go to the State Prices Branch.

Did you make any representation to the State Prices Branch on the basis that you were not getting subsidy?—No. Up to what period? Up to the end of the year do you mean? 40

Mr. BARWICK : Yes, December, 1948?—December, 1948?

Mr. WINDEYER : In respect of purchases made prior to December, 1948?—No, we made no representation to the State along those lines.

His HONOR : Even after December, 1948 ?

Mr. WINDEYER : In March, 1949, in respect of wool purchased earlier ?—We are in March, 1949, now ?

Yes ?—I would have to look into that and give you an answer tomorrow. I could not tell you offhand. It is hard to remember all the details of what happened right back.

What I am suggesting is that you made representations to the State Prices Branch on the basis that certain wool which you had considered would be subsidised was, to use the phrase that has been used, de-subsidised?
 10 —Yes, that would be quite possible in March, 1949, when we were aware that subsidy might not be given.

His HONOR : Do you know whether it is or not ?—No, I have got a vague idea but I will have to check up. I could not tell you offhand.

Mr. WINDEYER : You remember, do you, that the company repaid the Commission £67,000 ?—Yes.

Do you remember whether or not that fact was brought to the notice of the State Prices Branch with a view to getting an increase in price ?—I will have to check it up.

Do you not remember ?—I would not like to make a statement
 20 without checking it.

Do you not remember ?—No, I do not remember the actual happening. I can check it up and let you know.

When did you first get an increase in price because subsidy had gone ?—I do not think we ever did, as far as I can remember, because the State Prices Branch started what we called an averaging fund and they made arbitrary prices for us to sell at with the idea that this fund would be established from which they would draw moneys to equalise our prices and our costs, and we were under their control. We never really understood the average fund. I do not think they did. We hoped
 30 they did, but we have our doubts.

The position is, I take it, that you knew in September, 1948, at all events that the State had taken over price control ?—We knew they were taking over, yes.

And put in a general way, leaving out when you did it, you made representations to the State for an increase in price because you were no longer getting a subsidy on wool ?—I should think in 1949 we would have—in March, I can agree.

You have told us you could not carry on without it unless you got an increase in prices ?—Yes.

And you could not increase the price unless the State let you do so ?
 40 —Representations would be made, but we were under the control of this averaging fund.

Representations were made, were they not ?—I should think so, yes.

Well, you know, do you not ?—I would like to check up any documents to make sure I am not making a statement that is not correct.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

*No. 8.
E. H.
Gifford.
Cross-
examina-
tion,
continued.*

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

*No. 8.
E. H.
Gifford.
Cross-
examina-
tion,
continued.*

I do not want to know the details. You know, do you not?—I should say representations were made in 1949.

You mean the answer is yes?—I should think it would be so, yes.

You were in charge of the branch at the time of this business?—That is right.

Well, you know the representations were made?—Representations were made—the period I could not tell you.

It was the practice in your company to record wool as subsidised or not subsidised according to whether subsidy had in fact been paid for it or not?—Yes, or was subject to subsidy, of course. 10

You have been present in Court when the other witnesses gave their evidence?—Yes.

One other officer of the Company told us that wool was described by the Company as subsidised or unsubsidised depending upon whether or not the subsidy had been received for it?—Yes, in his section.

In your section it was described as subject to subsidy or not subject to subsidy?—Yes.

If representations were made to the State Prices Branch for an increased subsidy did you not treat all wool which the Defendant contends here was not subject to subsidy as not subject to subsidy?—No, I could not 20 make that statement without checking up the relevant papers, of which we have copies.

Did the importance of this ever occur to you before you came to Court?—No.

And you do not remember one way or the other?—No. I was interested in the period up to the end of 1948. 1949 I have not taken any special notice of—do you want that information?

I would like you to get it.

His HONOR : You can get it overnight?—Yes.

Mr. WINDEYER : Do not take it that I am making any accusation, 30 I want you to get me this information?—Certainly.

You do agree though that you made applications for increased prices on the basis that your raw wool was no longer getting a subsidy?—Yes, I think so.

And you had, of course, considerable stocks of wool—I do not worry whether they were subsidised or not subsidised—in the Company's mill in December, 1948?—That is true.

Did you know anything about the conference which was held because subsidy was to be discontinued, the conference between representatives of the industry and representatives of the Prices Branch and the Wool 40 Realisation Commission?—I knew of it, but I was not there.

But you knew, did you not, that to enable all manufacturers to enter into the new era of auction purchase on as far as possible the same basis, it was proposed as it were to strike a balance at the Christmas, 1948, close-down?—That is true, yes.

And that one of the balancing items was to be a transfer from the mills which had big stocks to the mills which had small stocks?—That is true, yes.

Those big stocks having been acquired during the subsidy period?—That is true.

And your mill in fact was one of the “haves” as distinct from the “have nots”?—Yes, that was the idea.

They did in fact transfer 200 bales?—That is true.

I do not know whether you can tell me this, but how long does it take
10 in ordinary processes in the factory for wool to be converted into cloth from the time the bale is opened?—That is an answer that you could not really give because it all depends if you want to put it right through the mill—I have heard of some mills putting them through in a day or two.

Your mill in the ordinary way, not making a particular piece for somebody who wants cloth of that description delivered—in the ordinary course of manufacture, how long does it take for a bale of wool to go through all the processes of manufacture into yarn and then to be woven into cloth?—That is an answer that I doubt anyone could give, because
20 in the various processes you might put your tops or the yarn away to mature a little and they may be there for some weeks or months, and you may not want those particular tops. Your orders may vary. You may start off and make a certain kind of cloth from one and halfway through someone cancels the order and you put on an order for someone else, and you put that aside and get on to the other job.

Can you tell us in reference to a particular piece of cloth what wool went into its manufacture?—Well, we think we can, but we have been tricked a number of times. We pick a bit of cloth up and look at it and say “That is a certain quality wool.” It may be made some time and
30 matured and it may be made in a hurry. We think we know, but we do not always know.

Can you tell from your records whether or not any particular piece of cloth in respect of which a particular price was claimed was in fact made from subsidised or non-subsidised wool?—No, it is impossible. You could not because you have heard in evidence that all wools are blended and you might blend a bale of subsidised and a bale of unsubsidised together. When you sort your wool you may take out one layer of one and another of the other type, and when you have finished you may have the wool out of half-a-dozen bales or 20 bales in one piece of cloth.

So that if representations were made on the basis that there should
40 be a price increase because wool had been de-subsidised, such representations would not necessarily relate to the whole wool content of the particular cloth?—No, I think it is worked out in a different way.

I am not talking about how the people to whom you make the representations do whatever calculations they do, I am talking about any representations which your Company might make?—We would know when the total number of bales on which subsidy was received had been used up.

You would?—Yes. Your Honor, could I have a transcription of that question so that I will get the actual information?

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

*No. 8.
E. H.
Gifford.
Cross-
examina-
tion,
continued.*

*In the
High Court
of
Australia.
New South
Wales
Registry.*

His HONOR : Mr. Barwick can help you.

Mr. BARWICK : Yes, Your Honor.

(Adjourned.)

*Plaintiff's
Evidence.*

*No. 8.
E. H.
Gifford.
Cross-
examina-
tion,
continued.*

ERIC HAMMIL GIFFORD, re-called :

Mr. WINDEYER : You were to make some inquiries about applications made to the State Prices Authorities for an increase in price of manufactured goods. Have you made those inquiries ?—I have.

Could you tell me what you ascertained ?—That during February, 1949, we made an application to the State Prices Branch for a variation of prices which was refused out of hand. 10

And in that application did you state that the wool with which you were concerned was unsubsidised wool ?—I do not remember that. I have not the documents with me.

I asked you about that yesterday afternoon, do you remember ?

Mr. BARWICK : I did not think you did. You may have.

The WITNESS : I am sorry, I did not know you wanted that.

Mr. WINDEYER : As I understood you, you said yesterday you could not remember whether you had made representations for an increased price. I will not worry about what I understood you to say. You say you have not looked at that ?—I have looked up the letter and we did apply in 20 the month of February, 1949, asking for a variation in our prices, which was refused by the State Prices Branch.

I am not interested in what the State Prices Commissioner did, I want you to tell me what your company did. You made an application in writing, did you ?—Yes.

You read a copy of it, did you ?—I read a copy of the letter asking for the variation.

Last night ?—Yes.

And in the letter was anything said about the withdrawal or cessation of subsidy ?—No, nothing at all. 30

Nothing at all ?—A straight out application—" We hereby apply for a variation in our prices."

Was anything said in support of the application at all ?—We gave our cost of wool and conversion, as we always do.

Have you the letter here ?—No, I have not.

Can it be obtained ?—Yes, it could be obtained.

Where is it ?—Round at the office.

You could get it ?—It could be obtained.

Would you get copies of all your communications to the State Prices Commissioner from December, 1948, to say July, 1949 ?—Yes, that could be 40 obtained.

EXHIBIT.—EXHIBIT “ V. ” :—Transcript of conference.

EXHIBIT.—EXHIBIT “ W. ” :—Extracts from Appropriation Acts.

His HONOR : The best thing to do, I suppose, so that Mr. Windeyer agrees, is to say that all relevant regulations may be treated as before the Court and there is no need to tender that group.

Mr. BARWICK : Yes.

His HONOR : Mr. Barwick has given that amount of information, and I daresay he will be willing to give before the Full Court hearing an indication of any other matter.

10 Mr. BARWICK : Quite, Your Honor.

Mr. WINDEYER : I take it Mr. Barwick will treat as being evidence without tender any regulations which I consider are relevant ?

Mr. BARWICK : Yes.

His HONOR : As long as the parties agree on that.

Mr. BARWICK : Yes, that will be the case, Your Honor.

Mr. WINDEYER : Before calling witnesses, there is one further question I wish to ask of Mr. Scott, one of the Plaintiff's witnesses, if he can be recalled.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

No. 8.

E. H.
Gifford.
Cross-
examina-
tion,
continued.

No. 9.

20

EVIDENCE of K. W. Scott (Re-called).

KEITH WALTER SCOTT, re-called :

Mr. WINDEYER : You are the accountant of the Plaintiff company, I think ?—I am.

You heard Mr. Henderson give evidence yesterday ?—I did.

The reason why I am asking you these questions is because Mr. Henderson has gone to Melbourne. You heard Mr. Henderson refer to a direction which was given to wool selling brokers by the State Wool Committee ?—Yes, I remember that.

30 It is Exhibit “ Q. ” You remember it related to the form of invoice which the broker was to render in respect of purchases and sales ?—Form of invoice or form of inscription on the bottom ?

Form of endorsement on the bottom ?—Yes.

The form of endorsement on the broker's invoice, you remember that ?—Yes.

No. 9.
K. W.
Scott
(re-called).
Cross-
examina-
tion.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

*No. 9.
K. W.
Scott
(re-called).
Cross-
examina-
tion,
continued.*

Have you an acquaintance yourself with the invoices which were rendered to your company?—I did.

Do you know that in addition to the invoice rendered by the broker after 1st November, 1945, a further invoice was rendered by the State Wool Committee?—No, I cannot say I am familiar with that, for the simple reason that I did not take over until late 1946. At that period, 1st November, I think I was still in the army.

So that the period that has sometimes been called the interim period, that is, the season 1945–1946, or so much of it as ran from 1st November, 1945, was not known to you?—No. I did not know it as the interim 10 period nor did I have any connection with those documents at that time.

Have you seen any of those documents since?—I have seen the 1945–1946 invoices that we have tendered in Court.

That is Exhibit “R,” I think. Are you not aware of a further invoice being rendered in respect of sales to your company during that period showing the deferred price?—No, not a further invoice. Rendered from whom?

Rendered, I suggest, probably by the State Wool Committee?—No, I cannot say I am familiar with that.

Have you kept all invoices which were received by the Company 20 during that period?—Yes, we have them.

What I am suggesting to you is that in addition to the invoice, showing the basic price with no endorsement of an amount deferred, a subsequent invoice was sent showing in each case the amount deferred?—No, I do not think we have such records as those.

Mr. Henderson having gone to Melbourne, I suppose there is nobody else here who would know any more about this than you would?—I do not think so.

Would you be good enough to make inquiries whether you have records such as I have suggested?—Yes, I will. 30

(The witness withdrew.)

His HONOR: That is Mr. Barwick’s case, I think.

Mr. BARWICK: That is the case.

His HONOR: It is a specimen group of documents claiming subsidy, showing the claim and payment of subsidy, and it is admitted that all subsidies paid in respect of the two years 1946–1947 and 1947–1948 were claimed and paid in accordance with one or other of those two documents.

Mr. BARWICK: That is so.

Mr. WINDEYER: That is so.

EXHIBIT.—EXHIBIT “1.”—Specimen group of documents. 40

Mr. WINDEYER: I tender a bundle of applications for an authority to purchase wool made by the Plaintiff, and corresponding authorisations

to purchase given pursuant to those applications. I believe my friend has had these copied and it may be the most convenient course if I hand to your Honor not the originals but a booklet containing copies of all these documents.

Mr. BARWICK : I have no objection, your Honor.

EXHIBIT.—EXHIBIT “ 2.”—Booklet containing applications for authority to purchase and corresponding authorisations.

Mr. WINDEYER : Call Mr. Nicholls.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Plaintiff's
Evidence.*

*No. 9.
K. W.
Scott
(re-called),
continued.*

DEFENDANT'S EVIDENCE

*Defendant's
Evidence.*

10

No. 10.

EVIDENCE of A. W. Nicholls.

*No. 10.
A. W.
Nicholls.
Examina-
tion.*

ALBERT WILLIAM NICHOLLS, sworn :

Mr. WINDEYER : Before I proceed to examine this witness may I ask if your Honor would add to Exhibit “ 1 ” a summary of the subsidy claims for the years 1947-1948 and 1946-1947 ?

EXHIBIT.—ADD TO EXHIBIT “ 1.”—Summary of subsidy claims—1947-48 and 1946-47.

Mr. WINDEYER : Did you give us your name ?—Albert William Nicholls.

20 You were during the period when the wool subsidy scheme was operating an officer of the Prices Branch—of the Prices Commissioner ?—I had an authority from the Prices Commissioner but actually I was on the pay roll of the Wool Commission.

You were an officer of the Wool Commission and had an authority from the Prices Commissioner ?—Yes.

His HONOR : Did you say during the whole of the subsidy period ?

Mr. WINDEYER : When did you commence ?—I commenced there in March, 1947.

30 And you continued in that office until when ?—I left the Wool Commission in November of last year so I was there during the whole of the period which dealt with the first subsidy scheme.

Mr. BARWICK : That cannot be right.

Mr. WINDEYER : What you mean is that you were an officer of the Wool Commission during the period which I might describe as the

*In the
High Court
of
Australia.
New South
Wales
Registry.
—
Defendant's
Evidence.
—
No. 10.
A. W.
Nicholls.
Examina-
tion,
continued.*

winding up of the subsidy scheme—during the whole of that period?—
Yes, from March, 1947, onwards right through to the winding up of the
scheme.

When you speak of the first subsidy scheme you are referring to,
I take it, to the subsidy scheme with which we are concerned in this
litigation as distinct from the bounty scheme which came into operation
under the Wool Products Bounty Act of 1950?—That is so.

Do you remember a letter of the 25th February, 1949 (p. 140 (*Record*,
Vol. II, p. 472)) ?—I have a copy.

Headed “Finalisation of Wool subsidy scheme” ?—Yes— 10
25th February.

Did you make the computations shown in that letter or some of them ?
—I did portion of it. Actually I drafted a letter for Mr. Willis under his
direction, but the actual compilation of the earlier figures was carried out
by Mr. Winter.

You see the heading “Declaration A” ?—Yes.

Did Mr. Winter compile the figures which appear under the heading
Declaration A ?—He and his staff. He was the responsible officer.

And did you compile the figures which appear under Declaration B ?—
No, that was Mr. Winter also. 20

Which part did you compile ?—Over the page—Declaration D, and
if there had been a Declaration C I would have been interested in that also.

But there was no Declaration C in respect of this claim ?—No.

When you refer to Declarations A, B, C and D, you are referring to
the Declarations which were submitted by the wool manufacturers in
connection with the winding up of the scheme ?—True, as referred to in
the letter of 15th December.

Mr. WINDEYER: They start on p. 130 (*Record, Vol. II, p. 461*),
your Honor will see. Those are the declarations as actually made by the
company, and on p. 134 (*Record, Vol. II, p. 467*) your Honor will see the 30
material on which one of the witnesses has already been examined.

In the compilation of such of these figures as relate to matters in
Declaration D, you took the figures from the Declaration, I take it ?—
At that stage, yes.

And in respect of the figures in this letter which relate to Declarations A
and B, those figures you know were, at the stage of this letter, taken by
Mr. Winter from the Declarations ?—That is true.

So this letter is a calculation of the subsidy position based upon the
returns rendered by the Plaintiff ?—Yes.

And I note that it says somewhere that it is subject to check ?—Yes, 40
that is on page 2 (*Record, Vol. II, p. 474*), half-way down—subject to final
audit.

Did you yourself make the final audit ?—Yes.

You attended at the Plaintiff Company's office and made the final
audit for the purpose of checking the figures set out in the letter of
25th February ?—Actually my checking was carried out at the mill.
I did call at the office on my final day but the checking was done at
the mill.

In making that check were you guided by the letter of 15th December, 1948 (page 119 (*Record, Vol. II, p. 444*)) ?—Definitely yes, that was the whole basis of the final adjustments to be followed.

The purpose of your check was to check the figures which have been inserted in the letter of 25th February against the records at the mill in the light of the conditions stated in the letter of 15th December, is that so ?—That is true. There was one further job I had to do and that was in connection with the claim which had been made, but that was the main purpose of the audit.

10 When you say “ in connection with the claim which had been made,” that was in connection with a claim made on a different basis ?—A different basis from the present one.

If you will turn to the letter of 15th December, 1948, in your checking did you take this to mean that you were to regard as disentitled or not eligible for subsidy any wool which was on hand and which had not gone further than the sorting stage ?—The Company had put all such—

Mr. BARWICK : What about the question you asked him ?

Mr. WINDEYER : Will you tell us on what basis you proceeded in checking this claim against what you regarded as eligibility for subsidy, first of all in respect of wool on hand ?—I checked the contents of each of A, B and D separately—each item. Actually, that was what I was concerned, the figures, and I was out to prove or disprove those figures.

I don't know that you followed my question. You took the letter of 15th December, 1948, as your guide in this check is that so ?—I did not have to worry at that stage about the letter. I had to take that as a guide when I was drafting these letters but not when I was doing the audit. When I was doing the audit I checked the actual figures which were on the declarations.

30 You checked the figures which were on the declarations and those figures are the ones which appear, as for example the stock as at 31st December, 1948 ?—That is so.

And you checked raw wool on hand ?—True.

Those are figures which appeared in the declaration ?—Correct.

And did you find that the figures in your letter of 25th February accorded with the actual position as you had ascertained it at the mill ?—Four bales had been left out by accident, that is all. Apart from that discrepancy they were correct in every way.

40 So the figures as shown in the letter of 25th February, 1949, accorded with the position as you found it at the mill ?—Subject to the four bales, yes.

I think you probably know that any claim for refund which the Commonwealth might have in respect of those four bales was waived by a letter of 19th July ?—I believe that happened but my responsibility finished when I reported on the fact.

Mr. WINDEYER : It appears at page 152 (*Record, Vol. II, p. 482*), your Honor.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Defendant's
Evidence.*

*No. 10.
A. W.
Nicholls.
Examina-
tion,
continued.*

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Defendant's
Evidence.*

No. 10.
A. W.
Nicholls.
Examina-
tion,
continued.

Now you have had an opportunity of checking Exhibits " J " and " K " which the Plaintiff tendered yesterday I think ?—Yes.

You will notice that those Exhibits show what is described as the usage of wool in the period ended December, 1948 ?—Yes.

And there is a discrepancy between them and the figures which you find in the letter of 25th February, 1949, isn't there ?—No, not there. The discrepancy that I noted in here related to the other phase of my audit, which was to check the usage of new season's wool prior to the end of the year. That was where there was a discrepancy.

Of new season's wool ?—Yes.

10

That is on Exhibit " J " ?—Well they apply in both—" K " and " J " are related. What I noted was this, that on this Exhibit it is shown that there were 886 bales of scoured wool used before the end of the year. I do not dispute that, that is correct, but when it comes to the usage of greasy wool, which is shown as 948 bales, I worked on a pound weight basis, not a bale basis and my weight was 266,187, that is the actual net weight of the wool in the 948 bales, but that is wool sorted and as it is sorted it is put into big bins, matchings as it is called, but of the 266,000 odd there were still 40,000 odd pounds in stock at the end of the year. The average weight of the 948 bales was 281 lbs., so if you convert that back to the nearest bale you can see there was the equivalent of 157 bales of the 948 bales that in my opinion had not been used because it was still in a greasy form.

It is a question of what is meant really by " usage " ?—True.

And if your definition of usage is accepted then the figure 948 bales on Exhibit " J " should, it seems, be 791 bales ?—That is so.

His HONOR : Your definition being that wool is not used so long as it remains in greasy form ?—True, until it reaches the carding stage.

Mr. WINDEYER : And that definition you say is in accordance with the method of computation indicated in the letter of 15th December and the statutory declarations ?—And earlier letters when we asked for information.

30

Cross-
examina-
tion.

Cross-examined :

Mr. BARWICK : What was your occupation before you engaged in this particular task ?—An accountant.

Practising on your own account ?—Not immediately before. I have practised with my brother as a public accountant but immediately prior to going with the Wool Commission I had five years in a Government department as an equipment accountant with the Food Services Branch.

Would it be fair to say that prior to going to work for the Wool Commission you had not been associated with wool at all ?—That is correct.

40

And you went there as an accounts officer of some sort—investigating officer on the side of accounts ?—That was the title, investigating officer on accountancy work.

My friend asked you had the wool entered your definition of "usage" whilst it was still in greasy form. You have no definition of "usage" have you, of your own?—No, but when you have five and one-half years calling at mills all over Australia you pick up a little bit of knowledge from other folk. That is where I got it from.

In the High Court of Australia. New South Wales Registry.

And when you say that in your view—it is your view that there is no usage of the wool until it gets to the carding stage—is that what you say?—On this occasion I was accepting someone else's view, but it is still my view.

Defendant's Evidence.

10 And the wool is not used until it gets to the carding machine. Let us be clear about it. It has been taken out of the bales before then and it has been blended?—Yes—near enough. Actually I think blending—they usually confine that word to the woollen section, but it is near enough.

No. 10. A. W. Nicholls. Cross-examination, continued.

But you know the wool manufacturer blends as an essential step in his production?—I usually hear the term matching.

Do you know that the wool manufacturer blends as an essential part of his manufacture?—Well, call it blending.

I am asking you what you know. Do you know that?—I know the process. I am familiar with what they do when they broach a bale
20 and divide it up into various types and put it away in many different bins—you could call that blending if you wish.

And they mix it?—Yes it is mixed.

And you know they mix it so as to relate it to a particular type of cloth they are going to manufacture?—Yes.

Earmark it for that production?—Yes.

And in the light of that you would still maintain that there is no usage of the wool for the purposes of manufacture until it is carded?—Not in our opinion.

30 "Our opinion" means in the opinion of some investigating accountants?—That is so.

You say that you checked these various declarations "A," "B" and "D"?—I checked them in the mill, yes.

And Declaration "B" related to?—Loose greasy wool.

In bins?—Yes.

Matchings and in the bins?—In checking I checked the records, the figures as disclosed by the records.

And as an investigating accountant and having been about these mills for three or four years I suppose you will agree that at any stage where one cared to walk into a mill which was in production there would
40 be a quantity of wool in the bins?—Definitely.

So that it would be right to say that the moment the subsidy scheme was put into operation, at the very inception there would be a quantity of unsubsidised wool, in your language, in the bins?—Yes.

That's right?—Yes.

Re-examined :

Mr. WINDEYER: First your Honor there is a question I omitted to ask this witness. Turning to the letter of 15th December, 1948, have you a copy of that?—Yes.

Re-examination.

*In the
High Court
of
Australia.
New South
Wales
Registry.
Defendant's
Evidence.*

No. 10.
A. W.
Nicholls.
Re-exami-
nation,
continued.

You will note that paragraph 4 of that states that certain wools are deemed to be ineligible for subsidy and that they are firstly (A) all wools described in sub-paragraphs 3 (A) and 3 (B) of this letter. Do you note that?—Yes.

And (B) any wools in process, semi-manufactured or manufactured form, those would be in sub-paragraphs 3 (C), (D) and (E) which exceed in quantity the maximum stocks as set out in paragraph 6 of this letter?—Yes, I see that.

The difference between any computations you made and any matters shown on Exhibits "J" and "K" do not relate to processive wools, 10 semi-manufactured or manufactured, do they?—No.

Mr. WINDEYER: In other words, you see a period of weeks in which work in progress may be regarded as subsidised in paragraph 6 (B)?—Yes.

You do not suggest that there is any difference between your computations and the Plaintiff's computations due to the Plaintiff exceeding the period there stipulated as permissible for work in process?—Work in progress is set out in their Declaration "D," and they did not have sufficient to bring them up to the 10 weeks. Actually, when I came to check the job, I found their figures were not right, they had actually 20 under-stated their figures or there were variations in them, but the overall position was such as it would not have affected the 10 weeks. They were still below the 10 weeks.

It is not suggested by reason of any limitations imposed by section 6 (B) that there was any error in any of their computations?—No.

The only discrepancy you point to is that present Exhibit "K" because it does not accord with what you have described as your definition of usage?—That was the only part of that statement I had occasion to check. 30

And your definition of usage accords with paragraph 4 (A) of this letter?—Well, there is no definition. I see, could you ask that again?

I put it this way, wool which is described in paragraph 4 (A) by reference to paragraphs 3 (A) and 3 (B) as being ineligible for subsidy is wool which you say has not been used?—It was actually still in the greasy state.

Re-cross-
examina-
tion.

Re-cross-examined.

Mr. BARWICK: Of course, as an accountant you would agree that if you were going to take into account the amount of wool in the bins at the end of the period of six months in order to determine the intervening 40 usage, you would have to take into account the opening stock in the bins, would you not?—Yes. We were not concerned with usage.

That would be right, would it not, you would have to take into account the opening stock?—True, and in my opinion have to bring it not to a greasy but to a scoured basis.

It is apparent to you that the Exhibit "J" you were looking at was compiled on the footing that neither the opening nor the closing stocks in the bins should be brought to account?—Definitely. I appreciate your point there.

So it is no criticism of the Statement " J " ?—None whatever, not as a statement.

So that your comment upon the amount of wool in the bins in a greasy form is of no assistance to determine whether " J " is accurate or not on the basis on which it was made up ?—If you use the word " sorted " I am happy about it. If you treat that as wool sorted I say it is O.K. As far as the section that I did is concerned, I am happy that it and the other would be right.

10 If you made up a statement on your basis of usage you would get the same result as is shown on " J " if the opening and closing stocks in the bins were the same ?—No. I would go about it in an entirely different way to get the usage.

I do not mind how you would go about it. I want you to answer what I put. If you made up a statement on your definition of usage and brought to account the opening stock in the bins and brought to account the closing stock in the bins, you would get the same result of consumption as in " J," provided the opening and closing stocks were the same ?—True.

20 And, of course, you have no information as to the opening stocks in the bins ?—It is in our papers because they gave us a declaration at the end of June.

You have had the information ?—That part of it was there.

When you were sent out to make these checks of these declarations yours was to be a physical check through the records ?—Exactly. I did not count the bales, I accepted the records.

You were taking a sort of paper stocktaking ?—True.

But you were not attempting to differentiate in the physical stock between subsidised and unsubsidised wool ?—Yes, because that was clearly set out in their records.

30 But this exhibit, Declaration " D," is the total physical stock on hand irrespective of whether it was subsidised or not at the close-down ?—When you come to Declaration " D " you could not tell one from the other there, but you were talking of greasy—with greasy you can differentiate, but not with the work in progress.

My question was, when you were checking Declaration " D " you were checking the physical stock ?—Declaration " D " is relating to work in progress and I took the figures as disclosed by the records.

40 And that was of the actual wool irrespective of whether it was subsidised or unsubsidised ?—It was then in a form you could not differentiate.

And so in respect of Declarations " A " and " B " ?—Not Declarations " A " and " B "—you knew definitely whether they were subsidised or not there. Declaration " A " sets out the greasy wool on hand. You knew the bale brand, you could find whether it was appraisalment, and what season it was.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Defendant's
Evidence.*

No. 10.
A. W.
Nicholls.
Re-cross-
examina-
tion,
continued.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Defendant's
Evidence.*

No. 10.
A. W.
Nicholls.
Re-cross-
examina-
tion,
continued.

No. 11.
A. L.
Winter.
Examina-
tion.

Did you do that?—From the records I did.

You did that?—Yes, definitely. I said earlier I checked Declara-
tion “A.” That shows I picked up the four bales, and that indicates we
did the thing thoroughly.

You actually checked the identity of the bales to show when they
were bought and so on?—Yes, we checked the bale records with
Mr. Payne’s figures.

You are able to agree with Mr. Payne’s figures?—Definitely, he keeps
good records.

No. 11.

EVIDENCE of A. L. Winter.

10

ARTHUR LEON WINTER, sworn :

Mr. WINDEYER : Your full name is?—Arthur Leon Winter.

What is your occupation at the present time?—I am Supervisor in
the Statistical Division of the Australian Wool Realisation Commission.

And during the period of the subsidy scheme with which this litigation
is concerned, or during the period of its winding up, what was your position?
—I was the Supervisor of the Subsidy Division of the Australian Wool
Realisation Commission.

You heard Mr. Nicholls’ evidence?—Yes.

20

You heard him say you were concerned, I think, with what was
described as Declarations “A” and “B” in connection with the finalising
of the scheme?—That is right.

Are you familiar with the letter of 25th February, 1949, addressed
by the Prices Commissioner, I think——?—Yes, that is the A.W.R.C.
letter to the Plaintiff Company.

Yes, addressed by the Wool Realisation Commission to the Plaintiff.
You see, in connection with Declaration “A,” there are three figures,
first of all Statement “C.105,” then Statement “C.106” and then
Statement “C.107”?—Yes.

30

Can you tell me to what years each is attributable?—“C.105” deals
with the 1942–1943 wools on hand at Christmas close-down.

The figure is obtained from the declarations which the Plaintiff
furnished, is it?—The quantity, yes, the quantity of wool.

And “C.106”?—“C.106” deals with 1943–1944 wools.

And again the quantity is as stated in the declaration?—Yes.

And “C.107”?—“C.107” is 1945–1946 wools on hand.

In the letter of 25th February, against each of those figures, a weight
as supplied by the Plaintiff, is set an amount of money, and those three
amounts, £18. 11s. 4d., £1,214. 2s. 1d. and £888. 7s. 3d. aggregate 40
£2,121. 0s. 7d.?—That is correct.

Mr. WINDEYER : Your Honor will remember this is the £2,000 sum spoken of.

His HONOR : Yes.

Mr. WINDEYER : In this letter that sum is included with others as an amount which it is said represents subsidy that would be withdrawn ; did you compute that ?—I did, or rather my staff under my supervision.

Mr. BARWICK : Is he familiar with the way it was done ?

Mr. WINDEYER : Do you know the basis of that computation ?—I do, yes.

10 Is that basis of computation set out in—— ?—The letter of 15th December, paragraph 6.

To which part do you refer ?—Paragraph 6, or part 3.

Do you say these three items which total £2,121 0s. 7d. were wool purchases during the period of appraisalment ?—That is correct.

And this computation of the amount to be withdrawn is in accordance with paragraph 6 (3), and is the subsidy which would have been payable on the same type of wool in the first half of the 1946–1947 season or the deferred portion of the purchase price, whichever is the higher ; is that so ?—That is so.

20 And you made that computation of the amount to be withdrawn is in accordance with paragraph 6 (3), and is the subsidy which would have been payable on the same type of wool in the first half of the 1946–1947 season or the deferred portion of the purchase price, whichever is the higher ; is that so ?—That is so.

And you made that computation ?—Yes. I supervised it.

It was not any part of your task to determine as a matter of policy the principle that an amount of subsidy would be withdrawn on that basis of calculation ?—No, I had no part in forming the policy.

30 If one comes to the next figures in the letter of 25th February, 1949, we see Statement “ C.108 ” and that relates to the wool year 1946–1947, does it ?—Yes.

And in respect of that a weight of wool is given which, again, I take it, is the figure which appears in the Plaintiff’s declaration ?—That is so.

There is a sum of £6,364 11s. 10d. set against that as also to be withdrawn ?—Yes.

How was that calculated ?—That was calculated on the exact subsidy that was paid to the mill for the particular lots that were in that stock.

The whole of Declaration “ A ” relates, does it not, to wool in unopened bales in stock at the Christmas close-down, 1948 ?—That is so.

40 And that includes, of course, “ C.108 ” and “ C.109 ” is the wool of the 1947–1948 year ?—Yes.

The details of quantity being taken again from the Plaintiff’s declaration ?—That is so.

And the amounts set down to be withdrawn being computed by you ?—Yes.

*In the
High Court
of
Australia.
New South
Wales
Registry.
Defendant’s
Evidence.*

No. 11.
A. L.
Winter.
Examina-
tion,
continued.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Defendant's
Evidence.*

*No. 11.
A. L.
Winter.
Examina-
tion,
continued.*

And is it the exact amount of subsidy ?—No.

How was " C.109 " arrived at ?—" C.109 " covers the 1947 wools that were on hand, and the method of calculating the subsidy or the subsidy to be withdrawn on those wools is, of course, again outlined in our letter of 15th December, in paragraph 6, section 1.

Proceeding to Declaration " B," that does relate to loose greasy wool on hand, does it ?—Yes.

Greasy wool on hand out of bales ?—Yes, it is loose wool in bins—that is the term we use in the Commission.

And Statement " C.110 " refers to 1947–1948 wool in bins or loose— 10
it is out of bales but has not proceeded any further ?—Yes.

And the figure again is the figure supplied by the Plaintiff ?—The weight was supplied by the Plaintiff, yes.

You computed the sum of money to be withdrawn ?—Yes.

And that is in accordance with what principle of computation ?—The principle laid down—I do not remember whether it is laid down in writing.

Will you look at the letter of 15th December, 1948 ?—It is the same principle that we adopted for the 1947–1948 year. Those were the instructions given to me. 20

I suggest you look at paragraph 6 (A) (1) the whole of paragraph 6.

Mr. BARWICK : No, it excludes the stuff not in the original bale.

Mr. WINDEYER : In other words, paragraph 6 relates to " A " and " B " declarations, does it not ?—Yes.

Annexures " A " and " B " as mentioned in the letter of 15th December, 1948, being the same matter as is referred to as " A " and " B " declarations ?—Yes.

So the computation was then in accordance with paragraph 6 ?—Yes.

*Cross-
examina-
tion.*

Cross-examined.

Mr. BARWICK : Can you tell us how you got the £18 11s. 4d., you 30
told us it accorded in some way with the letter. How was it done ?—The Plaintiff Company gave us schedules showing the exact details of that particular wool, the exact details being where it was purchased, when, the lot number and the broker, then we in our department had reference to those original catalogues from which that wool was appraised.

Then what did you do ?—From those original details we calculated the deferred liability or the deferred portion of the purchase price.

I am not talking about the deferred liability, I am talking about subsidy withdrawn ?—You asked me how was it calculated.

How did you work out the £18 13s. 11d. ? You went to the original 40
catalogue ?—We went to the original catalogues and we computed the deferred portion of the purchase price. We put that down as an item, and then for the same type of wool, which we have already found in the original catalogue, we related that to the same type of wool in the first half of the 1946–1947 season—the series average rather, and computed the subsidy which would have been payable on that particular wool if it had been bought in that half year.

And if there had been a type of that kind in that half year. I do not suppose you checked to see whether there was in fact a type of that wool?—I am just telling you. We had to go to a type—we went to the particular type.

Did you find the precise type?—The precise type.

Being sold in the subsequent period, is that right?—Yes.

Did you do that?—Yes.

Check the appraiser's sheets?—Yes.

Did you keep records of the appraisal of each lot?—Yes.

10 And does that show the type?—Yes.

You identified the type and found the appraisal sheets in the first half of the 1946–1947 season?—Yes.

And from that you worked out how much subsidy would have been paid?—Yes.

You found out it was greater than the deferred price?—Sometimes.

It was on each occasion here, was it not?—I am asking you about these, there are only the three we are talking about?—You said the first, the £18 13s. 11d.

Yes, that was greater than the deferred price?—In that case, yes.

20 Take the next one, the £1,214, that was greater than the deferred price too, was it not?—Well, there were one or two that were not—one or two items that were not.

But in total?—In total? Yes.

But do we understand that where you found a bale or so where the deferred price was greater than the subsidy it is the deferred price that is included in respect of that bale in the £1,214?—Yes.

And the same procedure with respect to the £888?—That is so.

30 And as you say, you had no part in determining that the subsidy which had not been paid should be withdrawn?—No, I had no hand in it at all.

In the case of "C.109," you tell the Court you did not use the actual amount of subsidy which had been paid in respect of the wool shown on that statement?—No.

There would have been no difficulty in obtaining the actual amount of subsidy which had been paid, the actual sum of money?—There would have been no difficulty, but a lot of work.

You know in fact, do you not, that the sum of £133,225 is substantially greater than the actual sum paid upon the actual wool included in Statement "C.109"?—Yes.

40 Mr. BARWICK: What was the amount of the total deferred price used by you in computation in respect of the wool shown on Statement "C.107," part of Declaration "A"?—I don't remember it.

Can you get it for me?—Yes, they are in Court. I did just some rough calculation. We did not have time to finally work it out. We worked it out only the other night in the hotel.

But you must have worked it out before you wrote the letter of 25th February?—But I have not the papers here. We did it roughly in the hotel last night. Just under £300.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Defendant's
Evidence.*

*No. 11.
A. L.
Winter.
Cross-
examina-
tion.
continued.*

*In the
High Court
of
Australia.
New South
Wales
Registry.*

Re-examined :

*Defendant's
Evidence.*

*No. 11.
A. L.
Winter.
Re-exami-
nation.*

Mr. WINDEYER : You were asked by my friend about the actual subsidy paid in respect of the wools included in " C.109 " ?—Yes.

You said it would have been less than the amount there stated as being withdrawn ?—Yes.

And you told us you had calculated the amount to be withdrawn in accordance with 6A (i) of the letter of 15th December ?—Yes.

And is the discrepancy to which you have referred attributable to the fact that paragraph 6A (i) deals with an average on individual types ?—
That is so. 10

You were also asked whether you could identify particular types of wool included in " C.105," " C.106 " and " C.107 " ?—Yes.

And I understand you to say you have ?—Yes—from documentary evidence we can.

And have you any knowledge from that as to whether or not the types shown in " C.105," " C.106 " and " C.107 " were purchased by the Plaintiff after the end of the appraisal period and during the subsidy scheme ?—Well, yes.

Similar types ?—I would say similar types. The records would indicate that. 20

The Plaintiff purchased similar types during the subsidy scheme to the appraisal wool which was on hand at the Christmas close-down and is shown in those statements ?—Yes.

His HONOR : There is no admission in respect of it ?

Mr. BARWICK : No express admission.

*No. 12.
H. B.
Leigh.
Examina-
tion.*

**No. 12.
EVIDENCE of H. B. Leigh.**

EXHIBIT.—EXHIBIT " 3."—Minutes of proceedings of meeting between Australian Wool Realisation and Advisory Committee of Wool Manufacturers—24/6/48. 30

HOWARD BICKFORD LEIGH, sworn :

Mr. WINDEYER : I may perhaps just state that I have not accepted the suggestion of my learned friend that portions of evidence given by another witness in another case should be simply put in as evidence in this case so far as background knowledge of the scheme is important.

I propose to elicit what I consider important from this witness and my friend will probably also elicit from him matters which he might have got from the statement he suggested should be put in.

Your full name is Howard Bickford Leigh ?—Yes.

And you are what at the present time ?—I am Secretary of the Australian Wool Realisation Commission.

During the period of the Central Wool Committee what were you ?—I was the Assistant Secretary of the Central Wool Committee and later the Joint Secretary of the Central Wool Committee.

10 Have you been associated then with the working of the system of wool selling and wool control since it commenced at the beginning of the war ?—Yes.

I think you are, in fact, the signatory to a good many of the letters which appear in the book ?—That is true.

It is probably well known but there are two or three basic matters about which I wish to ask you. First of all, under the Wool Regulations the Commonwealth Government acquired all wool produced in Australia during the period of the war until November, 1945 ?—That is correct.

20 All wool produced in Australia was required to be submitted to appraisal ?—Yes.

And on appraisal it vested in the Commonwealth ?—That is so.

And that we know was for the purpose, *inter alia*, of carrying into effect an arrangement with the United Kingdom ?—Yes.

That arrangement being that the United Kingdom would, for the period of the war and one wool year thereafter, buy the whole of the Australian clips except so much as was required for local manufacture ?—That is so.

30 And we know I think that the purchase price paid by the United Kingdom was 13·4375d. per lb. of greasy wool in Australian currency ?—Yes.

Until the year 1942, when it was increased to 15·45 pence per lb. ?—Yes.

The Australian Government having acquired all wool, how was wool sold to the Australian manufacturer during the period till November, 1945 ?—The Australian manufacturers were permitted to inspect wool immediately after appraisement and select wool which they required for their own purposes.

And at what price did they pay ?—At various prices.

We have been told it was appraisement plus a percentage ?—Yes.

40 Can you tell us what that percentage was ?—In each case ?

Yes ?—In the first season, 1939–40, the price was appraised price plus a farthing. In the next year the price was appraised price plus $7\frac{1}{2}$ per cent. ; then the price of wool for manufacture for export regulations came into operation in February, 1941, I think and then authorisations to manufacturers were withdrawn and new authorisations providing for a deferred price introduced so there was a basic price of appraised price plus $7\frac{1}{2}$ per cent.

The basic price was appraised price plus $7\frac{1}{2}$ per cent. ?—Yes.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Defendant's
Evidence.*

No. 12.

H. B.
Leigh.
Examina-
tion,
continued.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

Which was payable by the manufacturer after 14 days of his acquisition of the wool?—Yes and there was also a deferred price amounting to 25 per cent. of the basic price.

Mr. BARWICK : I object to him saying this if it appears in documents what the price was.

*Defendant's
Evidence.*

*No. 12.
H. B.
Leigh.
Examina-
tion,
continued.*

Mr. WINDEYER : That is a portion of the price described in the documents is the deferred price?—Yes, they were new authorisations issued.

Now we come to the next year?—In the year 1941–42 the price to manufacturers was a basic price of appraised price plus 15 per cent., increased by 27 per cent. of the appraised price. Then for the years 1942–43 and 1943–44 the basic price, which was the price payable within fourteen days of acquisition, was appraised price plus 10 per cent. and the deferred price was 25 per cent. of the appraised price. On the 1st May, 1944, the basic price was changed to a basic price of appraised price plus 10 per cent., increased by 27½ per cent. of the appraised price as deferred price. 10

The increase is a deferred price?—Yes, and a change was made on 1st November, 1945. The basic price remained the same, appraised price plus 10 per cent., but thereafter the deferred price was the difference between that price and the official selling price of the Australian Wool Realisation Commission. 20

The Australian manufacturer got his wool at those prices?—Yes.

The wool which had been acquired by the United Kingdom, that is to say all the wool other than the wool which the Australian manufacturer got, was paid for by the Commission to the grower firstly by a payment of the appraised price or portion thereof?—Yes.

In some years I think only a portion was paid in the first instance?—Yes, there was a retention in some of them.

But the appraised price, whether paid in one payment or in two, was paid to the grower and thereafter at the end of each season was an additional payment made to the grower?—Yes, and not only was the retention money paid but the grower at the end of the season— 30

If any?—Yes—there was no retention money in 1945–46—but an amount which equated the appraised price of all wool appraised to the flat rate of purchase price according to the United Kingdom arrangement.

That additional payment was commonly called the flat rate adjustment?—Yes.

The price that the grower of the wool got was the same whether his wool went to the United Kingdom or the local manufacturer, wasn't it?—Yes. 40

In fact he got the appraised price and a flat rate adjustment?—Yes.

Whatever happened to his wool?—Yes, he had no knowledge whether or not his wool went to Australian manufacturers.

The result of the transactions between the Central Wool Committee and the manufacturers resulted in . . . (*leading objected to ; withdrawn*).

Overall was the amount of the flat rate adjustment which was paid to growers equal to the percentage addition to the appraisement price which went to make up the basic price . . . (*objected to as irrelevant*).

*In the
High Court
of
Australia.
New South
Wales
Registry.*

His HONOR : Subject to that objection you can have the answer.

The WITNESS : Overall the flat rate adjustment payment was a greater percentage than the addition percentage, the percentage addition to the appraised price charged to Australian manufacturers, so that at the conclusion of the appraisement period there was a deficit of approximately £800,000 in the books of the Australian Wool Realisation Commission in respect of wool sold to Australian manufacturers.

*Defendant's
Evidence.*

*No. 12.
H. B.
Leigh.
Examina-
tion,
continued.*

Mr. WINDEYER : The Australian Wool Realisation Commission actually had other funds to meet such a deficit than the funds which it received from the United Kingdom ?—Yes, the money derived from its trading activities.

We have heard reference made to the export issue price. The wool which belonged to the United Kingdom was in fact exported from Australia either to the United Kingdom or to other countries at the direction of the United Kingdom during the war ?—Yes.

In so far as shipping was available ?—Yes.

20 These other countries I take it included neutrals ?—Yes.

And countries which were neutral, such as the United States, at the inception of the scheme and which had become Allies later ?—Yes.

Was the export issue price a price which was calculated by the Central Wool Committee or was it a price determined by the United Kingdom, the owner of the wool ?—It was a price determined by the United Kingdom wool authorities and was based upon their export prices of wool from the United Kingdom, by a formula which can be related back to export sales from Australia, but it was primarily a United Kingdom export price, not an Australian export price.

30 It was designed to prevent persons in countries outside the United Kingdom getting wool on more advantageous terms than the Bradford trade could get it ?—That is so.

You heard Mr. Henderson say that it represented a percentage increase variable in amount apparently ?—Yes.

Over the appraised price ?—Yes.

Was it arrived at by a simple percentage increase ?—No, I don't think in any respect it was a percentage increase.

40 Was there involved in it what was called the " Bradford tilt " ?—Yes, the whole of the wool was first repriced under the Bradford tilt and certain surcharges were added on and certain percentages were added and so the export price was determined, and certain charges and percentages were taken off to get back to the Australian ex-store price.

The Bradford tilt being the colloquial expression for this recosting which the United Kingdom did of the wool it owned ?—Yes.

It did not take it into its books at the appraised price ?—No.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Defendant's
Evidence.*

*No. 12.
H. B.
Leigh.
Examina-
tion,
continued.*

It took various categories in at different prices than the prices they bore in accordance with the table of limits?—Yes, so that export issue price was in some cases less than the appraised price; in other cases it was substantially higher than appraised price.

Mr. WINDEYER: The better the wool was the greater would be the increase on appraised price?—Yes.

Mr. Henderson said that the export issue price varied roughly 35 per cent. increase above the appraised price. Would you agree with that or do you say it is so variable you cannot state any particular price?—I cannot recollect that figure. I doubt if that is correct; I think it was a little lower than that, but I am not sure. 10

In any event the relationship of the export issue price to the appraised price varied according to the type of wool?—Yes.

You have told us that the basic price to the Australian manufacturer up till November, 1945, was calculated by appraisal plus a percentage?—Yes.

The arrangement changed as from 1st November, 1945?—Yes.

That was due, I suppose, to the operation of the disposals plan?—That is so.

Which is a schedule to a statute?—Yes. 20

And prior to the inauguration of the disposals plan there had been a conference in the United Kingdom?—That is true.

At which the plan was evolved; is that so?—Yes, that is so.

You were not present at that conference?—No, I was not.

There were, of course, representatives?—Of the Central Wool Committee, yes.

Mr. Justice Owen was then the Chairman and he was there and others?—Yes.

You have heard Mr. Barwick in his opening state that it was expected at that time that the orderly marketing of stocks of wool on hand at the end of the war would extend over a very long period?—Yes, that appears from the document published by the conference. 30

It is a White Paper?—Yes.

There was in fact in store at the time of the institution of the Disposals Plan, in store in Australia I think, some 6½ million bales?—6½ million bales of Australian wool in store in Australia, and the United Kingdom and the United States.

Undisposed of Australian wool which was the property of the United Kingdom?—That is so.

You have probably heard Mr. Barwick also say that those stocks were in fact realised much more quickly than had been expected?—That is a fact, yes. 40

It has been suggested, and you may be able to tell us, whether or not that is considered to be largely due to the recovery of the manufacturing industry in France and other parts of the Continent more rapidly than

was expected?—There was the expansion of the wool manufacture and I suppose very largely that the mills in Europe were not damaged to the extent it was thought in 1945.

Apparently, from what was said elsewhere, the whole process of reconstruction, so far as the wool manufacturing industry was concerned, proceeded much more rapidly than was expected?—That is so.

And in consequence there was a greater demand for wool than had been expected?—Yes.

And on the resumption of auctions the price rose?—Yes, it did.

10 The system of selling wool by auction was resumed when?—As from the 1st August, 1946.

And during the period from November, 1945, till June–July, 1946, did the system of appraisalment continue?—Yes, it did.

Although the Joint Organization was then in existence?—That is so.

Did that affect in any way the basic price of wool to the Australian manufacturer as from 1st November, 1945, till the resumption of the auction system in the year 1946–47?—It did not affect the basic price of wool for Australian manufacturers.

20 Did it affect the price in any way?—Yes, the sale price of wool to Australian manufacturers after 1st November, 1945, was the official selling price of the Australian Wool Realization Commission, which was, of course, the official selling price of the Joint Organization.

So that at that stage the official selling price was the same as what had previously been called the export issue price?—Yes. There were slight adjustments from time to time in the export issue price, certain charges, freight, etc., but basically the price was the same.

The export issue price becoming the selling price?—The selling price.

30 So far as the Commission was concerned, it having taken the place of the Central Wool Committee, it did not sell at two prices?—No, it sold at the one price.

Mr. BARWICK : This is a document you know, you do not want his view of the document.

Mr. WINDEYER : Very well. As far as the Australian Wool Realization Commission was concerned, it was operating on behalf not of the United Kingdom in respect of part of the wool and local manufacturers in respect of part but it was operating for the Joint Organisation in respect of the whole?—That is correct.

40 Subject to this qualification, that the interpretation of documents is a matter for the Court, subject to that did the Wool Realization Commission have one price only?—They had an official selling price.

And that, you have told us, corresponded speaking generally to the export issue price which had been ruling theretofore?—Yes.

What you have told us related to the price actually charged to Australian manufacturers in the method of invoicing that price?—I

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Defendant's
Evidence.*

No. 12.

H. B.
Leigh.
Examina-
tion,
continued.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

produce here a letter from the Secretary of the Department of Trade and Customs dated 31st October, under which it is agreed that the Commonwealth will pay——

Mr. BARWICK : I object to taking contents of it.

*Defendant's
Evidence.*

Mr. WINDEYER : My friend yesterday asked him to ascertain the authority for the instructions sent out by the State Wool Committee.

*No. 12.
H. B.
Leigh.
Examina-
tion,
continued.*

Mr. BARWICK : To produce the document authorizing the State Committee.

Mr. WINDEYER : Have you that document ?—I have, 1st November, 1945. 10

May this document be detached from this file ?—Yes.

Perhaps I could have a copy made.

His HONOR : That would be better.

Mr. WINDEYER : You referred to a document dated 1st November, 1945, and you will remember that yesterday an invoice was produced ?

Perhaps you heard me this morning asking for any further invoices relating to sales to the Plaintiff in that period ?—Yes.

What was the practice in regard to invoicing wool during that period ?

What was the practice ?—Wool purchased by manufacturers was invoiced to them by the Wool Selling Brokers and the Wool Selling Brokers 20 put the endorsement on the invoices indicating that part of the price was deferred.

Mr. BARWICK : Is he speaking of this period ?—No, I am speaking of the period prior to 1st November, 1945. Wool Selling Brokers had gained information enabling them to prepare a complete invoice, but after 1st November, they ceased to have that information unless the Wool Committee were to issue them with a list of prices. So from then the statement had to be done in two parts, the Wool Selling Brokers issued invoices at appraised prices plus 10 per cent. and, according to instructions, that invoice was to have been marked *pro forma* ; then a subsequent 30 invoice was issued by the State Wool Committee to be substituted for the first invoice, not only showing appraised price plus 10 per cent. but also showing the amount of the deferred price and it had an endorsement on it indicating the amount of the deferred price.

Mr. WINDEYER : You were explaining that in the interim period, which is the period I understand from 1st November, 1945, till the end of the 1945/46 season, the broker's invoice was not the only invoice stating the price of the wool to local manufacturers ?—That is so. The broker's invoice was the one upon which the manufacturer made payment, but a subsequent invoice was despatched to each manufacturer setting out the 40 price, including the amount deferred.

His HONOR: Despatched by whom?—Despatched by the State Wool Committee in each State.

In the High Court of Australia. New South Wales Registry.

Mr. WINDEYER: You explained I understand that in respect of the period prior to November, 1945, as the price was appraisalment plus a given percentage to make the basic price and a further known percentage deferred, it was possible for the broker to state it in the invoice?—That is so.

Defendant's Evidence.

10 But after November, 1945, as the basic price was appraisalment plus a given percentage, but the deferred amount had to be calculated with reference to the issue prices, and they were confidential information—? —Confidential in total. Individual prices were not confidential, but the complete schedule of prices was confidential.

No. 12. H. B. Leigh. Examination, continued.

The additional amount to be ascribed to the amount deferred, that is additional to the basic price, could not be inserted by the broker and had to be inserted by the organisation, either the Central Wool Committee, or the State Wool Committee acting as its agent?—Yes.

20 Your Honor, I asked for these additional invoices and I understand that they have some. (*To witness*): Are those documents invoices such as you have been speaking of?—Yes, and they are in accordance with the instructions that we sent out to State Wool Committees.

My friend asked that we should produce that instruction to the State Wool Committees, and I have given him a copy. I tender the instruction sent by the Wool Realization Commission to the State Wool Committee and the acknowledgment by the N.S.W. State Wool Committee of the receipt of the instruction.

Mr. BARWICK: I have no objection.

EXHIBIT.—EXHIBIT “4.”—Copy of instruction from Wool Realization Commission to State Wool Committee and acknowledgment.

30 Mr. WINDEYER: That system of selling wool to the local manufacturers continued for how long?—It continued until 30th June, 1946.

Was there after 30th June, 1946, a resumption of the selling of wool by auction?—There was.

So that the interim period ceased on the 30th June, 1946?—It did.

And auctions started in the next wool season?—That is so.

That is the 1946/47 season. At the same time that the sale of wool by auction commenced the subsidy scheme came into operation.?—That is so.

40 Briefly, we know from the correspondence that the subsidy was calculated on the basis of the difference between the basic price and the average price in an auction series for a particular type of wool?—At the outset that was the method of calculation.

By the basic price was meant the appraised price plus a percentage? —I think it really means a price based upon a valuation of a lot of wool

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Defendant's
Evidence.*

*No. 12.
H. B.
Leigh.
Exami-
nation,
continued.*

in accordance with the table of limits which had operated during the previous season, and on the same basis as the appraisalment in the previous season, plus 10 per cent.

But did the actual process of appraising continue?—Well, you call it valuing then, because there was no significance in it as between the Government authorities and the grower. It was merely a valuation of the wool.

A valuation of the wool was made?—Yes.

In the same way as an appraisalment had been previously made?
—Yes. 10

And in accordance with the same classification in the table of limits?
—The same table of limits.

So that the valuation was made by assigning the particular bale of wool to its appropriate type in the table of limits?—That is so.

And then determining in respect of that particular bale of wool what was the clean scoured yield of it and adjusting the price in the table of limits accordingly?—That is so.

About how many types and sub-types are there in the table of limits?
—There were approximately 1,500.

The basic price was arrived at by that process of valuation, and was 20 there any percentage additional to that to arrive at the basic price?
Yes. The 10 per cent. was added as in previous years.

It was what I might call the appraised valuation?—Yes.

In accordance with the table of limits?—Yes.

And a determination of the yield?—Yes.

Plus 10 per cent.?—That is so.

That was the basic price?—That was the basic price for the purpose of subsidy.

I am speaking now solely of the subsidy scheme. That being the basic price for the purpose of subsidy, the subsidy was calculated as the 30 difference between that price, the basic price, and the average of an auction series?—That is so.

Mr. WINDEYER: Wool in Australia is ordinarily sold at wool auctions?—That is so.

And those wool auctions take place in the capital cities?—Yes, the selling centres—capital cities and several others.

The capital cities and a few large provincial cities?—That is so.

Which are described as the selling centres?—That is so.

Mr. WINDEYER: The wool year is stated as commencing on 1st July, and running to 30th June?—That is the normal wool year; there are 40 occasions when there is an auction sale on the 1st July, which is related to the previous year; sometimes the wool year goes a day or two after the 30th June.

Wool is sold at auction first at one centre, say, for example, Sydney?
Yes.

At a series of auctions conducted at that centre, each auction being by a different wool selling broker. Is that so?—Yes. A series is constituted by one sale by each of the wool selling brokers in that centre.

A series commencing on 1st August at Sydney would last how long, approximately?—Four or five days.

And at the conclusion of that series another series opens at, say, Brisbane or elsewhere?—That is normal, yes.

And a certain number of buyers travel from one centre to the other centre?—Yes.

- 10 When, for the purpose of subsidy, one speaks of the average of an auction series, that means a particular series conducted at any one centre?—Yes.

In one wool year, would there be several series in, say, Sydney?—Yes.

In the major centres there would be a larger number of series than the smaller centres?—Yes.

And, speaking broadly, the greater part of the Australian clip is consigned for sale to wool selling brokers, who sell it in various centres?—Yes.

- 20 During the period when appraisement operated the arrangements for selling were very much the same as they were in what one may describe as normal or auction times?—That is so; an appraisement series had the equivalent meaning to an auction series.

And wool was, during the time when the appraisement scheme was operating, consigned by the grower to the broker, just as it had been before the war?—Yes.

And appraisement was a method of determining the price of the wool in substitution for determination of the price by bids at auction?—That is so.

- 30 I want to come now to the introduction of the subsidy scheme. We know from the correspondence that there had been references to proposals for subsidy sometime before the scheme came into operation?—Yes.

And it was related to what has been described as the price stabilization plan, is that so?—I understand so.

You were not concerned with details of price fixing?—I was not.

Or with the policy lying behind the price stabilization?—No.

But in connection with determination of prices to local manufacturers and subsidy, did your Commission act in accordance with directions from the Prices Commissioner?—The Prices Commissioner, yes.

- 40 You were not concerned at all with the making of that policy, I suppose?—No, I was not.

Either at the time of the introduction of the subsidy or at the time when the winding up of the subsidy scheme commenced?—No.

You are aware of some of the circumstances which influenced that policy?—I am.

But you yourself had no share in the making of it?—Making the policy, that is so.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Defendant's
Evidence.*

No. 12.

H. B.
Leigh.
Examina-
tion,
continued.

*In the
High Court
of
Australia.
New South
Wales
Registry.
Defendant's
Evidence.
No. 12.
H. B.
Leigh.
Examina-
tion,
continued.*

In other words, you know why certain things were done?—Yes.

But the determination that they should be done was none of your concern?—That is so.

Before the winding up of the scheme commenced there was a conference held, I understand, between a body described as the Advisory Committee of the Woollen Manufacturers and representatives of the Commission and of the Prices Branch. I think it is an exhibit. I found when looking through that that there was an alteration of a word made in it. I have rather written on top of it, it is a correction, I believe, of a typographical error, but I think I should get it dealt with by the witness because the present alteration in pencil is my writing, although all I did was to write on top of a rather faintly written previous notation. 10

Mr. HOLMES : Was the witness present?—Yes, I was present.

Mr. WINDEYER : Will you take Exhibit “ 3 ”?—Yes.

You will see on page 4 (*Record, Vol. I, p. 247*) that the word “ carpets ” appears?—Yes.

You were present at that conference?—I was.

Can you tell us what that word should be, what word was used?—Quite obviously “ carpets ” should be “ cards.”

“ Cards ” in that sense referring to the carding machines?—Yes, 20 referring to carding machines in a woollen mill or a worsted mill.

(*The word “ carpets ” to which Mr. Leigh refers has now been altered to “ cards ” on page 4.*)

Mr. WINDEYER : While we are on this matter of corrections, I notice at page 110 (*Record, Vol. II, p. 435*) of the book in a letter written by you dated 30th August, 1948, there is a reference in your letter to sub-paragraph (e) of the conditions under which subsidy has been claimed on wool. I am not suggesting you should correct that because presumably that is how it appears in the original letter?—That is correct. It is actually a typing error in the original letter. 30

As it appears in the book it is a correct copy of the original letter?—A correct copy of the original letter.

Was there ever a sub-paragraph (e) of the conditions?—No ; (a), (b), (c) and (d) were the conditions.

And “ (e) ” should read “ (c) ”?—“ (e) ” should read “ (c).”

I notice also that Mr. Willis, who signed a letter which appears at page 113 (*Record, Vol. II, p. 438*), has made the same mistake, I presume he probably copied your letter.

His HONOR : It might be altered to (c) in both places by consent.

Mr. BARWICK : I do not know any “ (c).” 40

Mr. WINDEYER : Mr. Leigh stated what he meant to write was (c) and there never was an (e)?—There never was an (e).

Mr. Willis was concerned, was he not, with the policy of the relationship between the subsidy scheme and the stabilization or prices?—He was a former Prices Officer who was taken over by the Commission and was in charge of the subsidy scheme.

I merely asked because, in case anything be said, Mr. Willis is no longer in Australia?—No, he lives in New York.

10 Before leaving this matter of the conferences which were held, the transcript of proceedings of two conferences being in evidence, what was the Advisory Committee of Woollen Manufacturers?—That was a committee appointed by the Australian Wool Realization Commission in terms of the Wool Realization Act of 1945. There was provision made for advisory committees representing sellers, buyers and manufacturers.

Were the members of it obtained from or chosen by the Association of Woollen and Worsted Manufacturers?—Yes, I think that perhaps some were co-opted on to the committee who were not members of that Association, but it was certainly, for the most part, representative of that Association.

20 Mr. BARWICK: That is not the question you were asked. Who appointed them?—They were chosen by the Woollen and Worsted Manufacturers and appointed by the Commission.

Mr. WINDEYER: The Commission made them members of the Advisory Committee but they were chosen by the Association?—Yes, but the conferences in question concerned other members who were brought into the picture. For instance, the Association would say: "Do you mind if so-and-so takes the place of so-and-so"; particular people had interests in certain matters so there were some variation in personnel.

30 I notice by the letter of the 18th June at page 98 (*Record, Vol. II, p. 423*) and which is signed by you, you say: "I am to ask that your Association should convene its Advisory Committee on wool subsidy matters"?—Yes.

Mr. WINDEYER: What was that you refer to there as "its advisory committee"?—I can only say there was a slight looseness in the term at that stage. Basically this was the advisory committee to the Commission but by this time there had been a number of variations in the personnel of the committee made at the request of the Association and it is referred to in that letter as the Association's advisory committee.

Mr. Snape is the Secretary of the Associated Woollen and Worsted Textile Manufacturers' Association?—Yes, he was at that time.

40 At the conference on 24th June, various matters were discussed dealing with the winding up, or finalisation as you call it, of the scheme; is that so?—That is so, yes.

And the situation which would arise when auctions were resumed?—That is so. When the subsidy was discontinued—this is 24th June, 1948.

I beg your pardon. There is a reference in one of your letters to 31st July as a material date. Do you remember which letter that was?—I think that is a letter of August, 1948. It may have been June, 1948.

Mr. BARWICK: Page 108 (*Record, Vol. II, p. 433*), 30th August.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Defendant's
Evidence.*

*No. 12.
H. B.
Leigh.
Examina-
tion,
continued.*

*In the
High Court
of
Australia.
New South
Wales
Registry.*

Mr. WINDEYER : It is referred to in more than one letter. I think, but it is mentioned in the first paragraph of the letter of 30th August, 1948, which is page 109 (*Record, Vol. II, p. 434*).

Mr. BARWICK : It is also in the first paragraph of the one on 108 (*Record, Vol. II, p. 433*).

*Defendant's
Evidence.*

His HONOR : The first paragraph of the three—also 107 (*Record, Vol. II, p. 432*).

No. 12.
H. B.
Leigh.
Examina-
tion,
continued.

Mr. WINDEYER : And it is also dealt with in more detail in the letter of 18th June, 1948 ?—Yes, that is the one.

Which is on page 98 (*Record, Vol. II, p. 423*)—the fourth paragraph ?— 10
I have not got that letter here. (*Witness handed copy of letter.*)

It is mentioned in the first and fourth paragraphs ?—Yes.

The wool year you have told us ended on 30th June, 1948 ?—Yes.

Is there any significance in this date 31st July, 1948 ?—Yes. Quite a lot of the wool purchased for manufacturers was purchased by buying firms such as Biggin & Ayrton who might be buying on behalf of several mills, and the extra month was to allow allocations or transfers of the wool to take place to the various mills. It was not to allow further wool to be purchased from auction because there were no auction sales, and there was an indication given in one of the letters that it was not to include 20 the sale of skin wools.

There were no auction sales between 30th June and 31st July, is that so ?—No, that is so.

The extra month after the end of the normal wool year related to the carrying to completion of purchases made in the auction series the last of which was held in June ?—At the end of June.

Mr. BARWICK : You have been in Court throughout, have you not ?—Yes, except for the first hour.

You heard Mr. Henderson's evidence ?—I did.

You will agree, will you not, that the view which Mr. Henderson 30 expressed as being that of his firm as to the likely movement of the market on resumption of auction, a view he said was held towards the end of 1945 . . . ?—Yes.

Was a view which your Commission also held at the time ?—That is true.

And you agree it was a view that the trade held at the time ?—That is so.

Earlier than that, at the time the Joint Organisation was formed, a contrary view had been held ?

Mr. WINDEYER : As to what ?

40

The WITNESS : That appears from the conference documents in the white paper.

Mr. BARWICK : You would agree, would you not, that the view held at the time of the formation of the Joint Organisation and for a period thereafter was that if auctions were resumed the market would

sag unless special steps were taken ?—That the sale of accumulated stocks along with oncoming clips would be more than the market could stand, yes.

So the steps that had to be taken . . . ?—Were for the orderly marketing of the carry-over wool.

And if need be, even feeding it in in an orderly fashion and for the Joint Organisation to support the market from time to time ?—That is so.

By determining the floor price and coming in to support the market ? —That is so.

10 There is, of course, a difference between the average price of sales in a season and the average price of sales in a series ?—Yes.

And the difference between those two figures may in some wool year be quite marked ?—It might.

20 Mr. WINDEYER : We all know, I think, there has been a great increase in the price of wool. When did that increase in the price start ? —I was wondering whether I could put it this way ; in the first half of the 1946–47 season the average price of wool was much lower than in the second half of the 1947–1948 season, so if any wool was de-subsidised on the basis of the average of the first half of the 1946–1947 season there was quite a considerable advantage to the manufacturers, and that in fact was the period taken for the de-subsidisation of wool.

In this statistical handbook which has been put in as an exhibit, or some parts of which have been put in as an exhibit, does the movement of the price appear ? Do you know this publication ?—I do.

Do you happen to know whether there is any table there of the average prices ? Would it indicate the price move in the year 1945 ?

Mr. BARWICK : The page I tendered, page 49 (*Record, Vol. I, p. 325*), has the figures.

30 Mr. WINDEYER : Yes, but I want to know if there is a table which would indicate a price within a year. (*To witness*) : Is there any table which would confirm what you have just said ?—I doubt if there is in that book. Of course, there are plenty of tables that could be obtained and there are statistics issued by the National Council of Wool Selling Brokers which would prove that.

Anyway, from your knowledge of the wool market, that is what in fact happened as to the movement of prices ?—That is so.

And prices continued to rise, did they not ?—They did.

Of course, ultimately after the discontinuance of this subsidy scheme the prices still continued to rise ?—They did.

40 And the Bounty on Wool Products Act was enacted in 1950 ?—That is so.

(*The witness withdrew.*)

Mr. WINDEYER : That is the Defendant's case, subject to tendering this bundle of invoices which my friend produced after the luncheon adjournment. I am unable to say which particular parts of it are relevant at the moment because they do not seem to be related to Exhibit " G " exactly.

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Defendant's
Evidence.*

*No. 12.
H. B.
Leigh.
Examina-
tion,
continued.*

*In the
High Court
of
Australia.
New South
Wales
Registry.*

*Defendant's
Evidence.*

No. 12.
H. B.
Leigh.
Examina-
tion,
continued.

Mr. BARWICK : If you will agree that invoices bearing those endorsements were issued in respect of the parcels shown in the last sheet of Exhibit " G," I do not mind if you put the lot in.

Mr. WINDEYER : On that basis it is only necessary to put in one.

Mr. BARWICK : Would you agree that if any invoices were sent in relation to these items they bore endorsements in terms of the endorsements of those invoices ?

Mr. WINDEYER : Yes. My learned friend has asked me to agree that any invoices which were sent, in addition to the broker's invoices, in respect of wool bought during the period 1st November, 1945, to 30th June, 1946, both inclusive, were similar in form and bore endorsements in the same words as those which I now tender as specimens. 10

Mr. BARWICK : I agree.

EXHIBIT.—EXHIBIT " 5."—Bundle of invoices.

His HONOR : Is that your case, Mr. Windeyer ?

Mr. WINDEYER : Yes.

Mr. BARWICK : I have nothing in reply.

His HONOR : Do both sides wish the case to go to the Full Court ?

Mr. BARWICK : Yes.

Mr. WINDEYER : Yes. 20

His HONOR : I direct under section 18 of the Judiciary Act that the case be argued before a Full Court at the August sittings in Sydney.

*In the
Full Court
of the
High Court
of
Australia.*

No. 13.
Joint
Reasons
for
Judgment.

No. 13.

JOINT REASONS FOR JUDGMENT.

This is an action which came on for hearing before Kitto, J., who, after receiving some oral evidence and a considerable mass of documentary evidence, directed the case to be argued before the Full Court. In the end two questions of a familiar character seem to emerge for decision, but it is necessary to examine the facts with some care.

The Plaintiff Company has for many years carried on a large business of manufacturing worsted cloth. In the course of its business it purchased, during the war years and up to the end of 1948, large quantities of raw wool, both greasy and scoured, for the purpose of manufacture into cloth. Its claim against the Commonwealth in the action is for a total sum of 30

£176,153. This amount is split up in various ways in the Statement of Claim, and, as to some of the sums involved, various causes of action are alleged, and the amount alleged to be payable has been calculated in various ways. In the last analysis, however, it would appear that the Company's claim can only be framed as a claim for two distinct sums, which together make up the total of £176,153. The first is a sum of £108,871. The Company alleges a contract, or rather a series of contracts between itself and the Commonwealth, under which the Commonwealth bound itself to pay to it a sum, described as a subsidy, in respect of wool bought by it at auction for the purpose of manufacture. The sum of £108,871 is, it says, payable to it under this contract or these contracts. The second sum claimed is a sum of £67,282. This is a sum which was in fact paid by the Company itself to the Commonwealth in response to a demand made by the Commonwealth in circumstances which will have to be considered. This sum is claimed as money had and received by the Commonwealth to the use of the Company.

The wool in respect of which the larger sum is claimed was all purchased by the Company in April, May and June, 1948. The sum of £67,282 was paid by the Company to the Commonwealth in May, 1949. The case cannot, however, be understood without going back over some years and looking at the circumstances under which trade in wool was carried on in Australia during and shortly after the war of 1939-1945.

The wool Purchase Arrangement between the United Kingdom Government and the Commonwealth Government, whereby the former acquired from the latter the entire Australian wool clips for the duration of the war and one year thereafter, has very recently been fully examined and discussed by this Court in *Ritchie v. Trustees Executors & Agency Co., Ltd.* (1951), 84 C.L.R. 533, and in *Squatting Investment Co., Ltd. v. Commissioner of Taxation* (1953), 86 C.L.R. 570. The steps taken by the Commonwealth to implement that arrangement within Australia have also been considered in some detail in those cases. The point to be noted for present purposes is that the sale by the Commonwealth Government to the United Kingdom Government expressly excluded "wool required for purposes of local manufacture" (i.e. manufacture in Australia). On the other hand, the Commonwealth under the National Security (Wool) Regulations (which came into force on the 28th September, 1939) acquired the whole of the wool produced in Australia in each of the war years. For their supplies of wool, therefore, in those years local manufacturers had to look to the Commonwealth, which owned all the wool. This really meant that they had to look to the Central Wool Committee, which was constituted under those regulations. Reg. 23 dealt with wool for local manufacture. It provided that any person desirous of obtaining wool for the purpose of manufacture within Australia might apply to the Central Wool Committee for authority to purchase wool, and that the Central Wool Committee might authorise a purchase of wool subject to such conditions as it might think fit to impose. A person so authorised was entitled within a reasonable time after appraisal to examine wool appraised and, subject to any conditions imposed upon his authorisation, to purchase wool at the "appraised price." The provision as to price was twice amended. As from 2nd May, 1940, the words "such prices as are from time to time determined by the Central Wool Committee" were

*In the
Full Court
of the
High Court
of
Australia.*

No. 13.
Joint
Reasons
for
Judgment,
continued.

*In the
Full Court
of the
High Court
of
Australia.*

No. 13.
Joint
Reasons
for
Judgment.
continued.

substituted for the words "appraised price," and after 13th November, 1942, the price to be paid was the price "fixed by the Central Wool Committee in accordance with any determination notified to it by the Commonwealth Prices Commissioner." The matter was also dealt with by the National Security (Price of Wool for Manufacture for Export) Regulations, which came into force on 17th February, 1941. Reg. 7 provided that the Central Wool Committee might, either as a condition of authorising the purchase of wool under reg. 23 of the Wool Regulations, or by resolution or by direction or in any other manner it might think expedient, provide for postponing the payment of any part of the price payable for the purchase of wool under that regulation and for treating it as a deferred or contingent liability, which the Central Wool Committee might remit upon proof to its satisfaction that the wool had been used in the manufacture of goods for consumption within Australia and which otherwise it might call up and enforce. A new reg. 7A was added as from 17th September, 1941. It required a manufacturer, where there was a deferred or contingent liability under reg. 7 to include in any contract for the sale of wool by the manufacturer a provision which would have the effect of imposing an obligation on the purchaser to pay the amount of the contingent or deferred liability. 10 20

In 1945, when the war with Germany came to an end, a plan was agreed between the Governments of the United Kingdom and the Commonwealth for the winding up of the wool scheme, which was to take effect as from 1st August, 1945. The Disposals Plan, as it was called, is scheduled to the Wool Realization Act, 1945, and this also has been examined and explained in the two recent cases in this Court to which reference has been made. The only point that need be noted here is that, in accordance with the Plan, the method of appraisal and acquisition by the Commonwealth was continued during the wool year ending 30th June, 1946, but in the following year the normal Australian practice, under which wool is sold at auction by wool-selling brokers on behalf of producers, was reinstated. 30

During the appraisal years the Plaintiff Company, in pursuance of the regulations mentioned above, applied for and was granted a number of authorisations to purchase appraised wool. Three purchases, totalling 201 bales, made under these authorisations become ultimately material in this case. These are a purchase of three bales of the wool year 1942-1943, a purchase of 48 bales of the wool year 1943-1944 and a purchase of 150 bales of the wool year 1945-1946. The conditions of the authorisations to purchase imposed by the Central Wool Committee varied in detail from time to time. But those granted for the season 1941-1942 and for all subsequent seasons contained material provisions which were identical in substance. The authorisation granted to the Plaintiff Company on the 2nd August, 1945, may be taken as an example. This contained the following condition: "For all wool purchased under this Authorisation the said The Australian Woollen Mills Pty. Ltd. shall be liable to pay the Central Wool Committee a price consisting of an amount representing the basic price fixed by the Central Wool Committee increased by 27½ per cent. of the appraised price. The basic price fixed by the Central Wool Committee for shorn wool for the season 1945-1946 is appraised price plus 10 per cent. The basic price fixed by the Central Wool Committee or skin wool for the season 1945-1946 is the appraised price plus 5 per cent. 40 50

The amount representing the basic price shall be paid together with delivery charges within fourteen days after purchase of the wool. Payment of the remaining part of the price shall be deferred, but shall be made if and when demanded by the Central Wool Committee, which may remit such part upon proof to its satisfaction that the wool has been used in the manufacture of goods distributed for consumption within Australia." One would imagine that the intention, or at least the primary intention, behind both the regulations and the authorisations was that the percentage addition to the basic price should be exacted only if wool bought did not actually reach local consumption but was exported either in its raw state or in the form of a manufactured product. It would seem, however, that, legally speaking, the deferred or "contingent" part of the price was exigible at the discretion of the Central Wool Committee.

*In the
Full Court
of the
High Court
of
Australia.*

No. 13.
Joint
Reasons
for
Judgment,
continued.

It should be mentioned at this stage that, although the word "subsidy" was not commonly used in connection with purchase of wool by manufacturers during the appraisalment period, the Commonwealth was in effect paying a subsidy during this period. For, as appears from paragraph 12 of the case stated in the *Squatting Investment Case* (1953) 86 C.L.R. at pages 575-6, the prices at which the Central Wool Committee on behalf of the Commonwealth sold wool to manufacturers were (except in the 1941-1942 season) less than the prices which the Commonwealth paid to growers in respect of its acquisition of that wool under the regulations. Existing alongside, and bearing always on, the local administration of the wool scheme was the strict and elaborate system of price control set up under the National Security (Prices) Regulations. Under this system maximum selling prices were fixed for the products of local manufacture. The price charged by the Central Wool Committee for raw wool enabled prices of manufactured woollen goods to the ultimate consumer to be kept down to a level which the Prices Commissioner regarded as satisfactory, while the wool producer whose wool went to local manufacturers was placed on the same footing as the producer whose wool was sold to the United Kingdom Government. In effect, therefore, the Commonwealth was, during the appraisalment period, granting a subsidy on wool used in local manufacture. It was paying it to the producer of the raw material and not to the manufacturer, but the manufacturer benefited in just the same way as if it had been paid to him direct.

It has been necessary to mention all these matters because the 201 bales of wool bought ex appraisalment, and mentioned above, were still held in stock by the Plaintiff Company at the end of 1948, and in respect of those bales a sum of £2,121 entered into the calculation of the sum of £67,282 which, as has been said, was demanded by the Commonwealth and paid by the Company in 1949, and which the Company now seeks to recover. The major part of the Plaintiff's claim, however, has relation to wool purchased by it during a later period, when the Commonwealth in fact paid subsidies direct to local manufacturers in respect of wool purchased by them. It will be convenient to state the facts in a general way as briefly as possible, before turning to the actual documents on which the success or failure of the claim ultimately depends.

It has been seen that under the Disposals Plan the system of acquisition of wool on appraisalment was to come to an end on 30th June, 1946. After that date the normal system of sale by brokers at auction

*In the
Full Court
of the
High Court
of
Australia.*

No. 13.
Joint
Reasons
for
Judgment,
continued.

was to recommence. As the date approached certain problems presented themselves. At the auctions local manufacturers would have to compete with overseas buyers, and it was impossible consistently with the auction system to control the price of raw wool to local buyers. At the same time it was a firm point of Government policy that the war-time system of local price control in respect of commodities generally, including products of woollen manufacture, should be continued for an indefinite period. It was the co-existence of these two factors that created the main problem. There had been, since the beginning of the war, a controlled market for wool and a controlled market for manufactured woollen goods. If this could have been succeeded by a free market for both, there would have been simply a restoration of the pre-war position. But, as it was, there was to be a free market in wool and a controlled market in manufactured woollen goods. The problem itself was essentially one for the Prices Commissioner rather than the Australian Wool Realization Commission, which had by this time, under the Wool Realization Act, 1945, succeeded the Central Wool Committee. But the Commission, in view of its functions under the Disposals Plan, was vitally concerned with what was to be done, and it was natural that it should play, as it did, a very large part both in the negotiations leading up to the scheme which was in fact adopted and in the administration of that scheme. 10

In March, 1946, a conference was held which was attended by representatives of the Commission, of the Prices Commissioner, and of woollen manufacturers. What took place at this conference could have no legal effect, but it has some explanatory value, and two points which were made clear at the meeting should be mentioned. It was made clear, firstly, not only that price control was likely to continue for some considerable time, but that the Prices Commissioner proposed to continue, for the time being at any rate, the policy of fixing prices on a basis in which cost of raw materials to the manufacturer figured as a factor. On the other hand, he did not propose for the present to allow any substantial rise in the price of the finished product. It was made clear, secondly, that the Government realised that, on the resumption of auction sales, the price of raw wool was almost certain to rise, and that it had come to the conclusion that the only practical solution was that it should grant a bounty or subsidy to the manufacturer. There were, however, two things against which the Commonwealth desired to guard, though only one of these seems to have been actually stressed at the conference. The second was perhaps too obvious to need stressing. In the first place, the difference between the new price and the old price—and this was the basis of the subsidy—might be unduly enhanced by extravagant bidding in a market in which demand for a particular type of wool exceeded supply. In the second place, a particular manufacturer might ultimately place himself in what would have been regarded as an unduly favourable position by building up large stocks of subsidised wool—what is nowadays called “stock-piling.” The obtaining of an advantage in this way would depend, of course, on a number of factors, including rising prices of raw wool. But by this time, although the contrary had been anticipated when the Disposals Plan was adopted, the general expectation was that wool prices would continue to rise for some time. Mr. Windeyer expressed the position succinctly when he said that the Commonwealth was concerned throughout to prevent two things—undue bidding and undue buying. In the last 30 40 50

resort the Prices Commissioner was in control of the situation, but it seems to have been at no material time envisaged that the current basis of price regulation should be fundamentally altered.

*In the
Full Court
of the
High Court
of
Australia.*

—
No. 13.
Joint
Reasons
for
Judgment,
continued.

It was a suggestion of the late Mr. N. W. Yeo that was ultimately adopted as a solution of the problem, and what was proposed was announced in a circular of 20th June, 1946, addressed by the Prices Commissioner to manufacturers, and in letters of 7th August and 20th August, 1946, and 21st August, 1946, from the Commission to manufacturers. It was announced that the Commonwealth Government had decided that a
10 subsidy would be paid to maintain the price of wool purchased for domestic use by Australian manufacturers when auctions recommenced after 30th June, 1946. The subsidy would be calculated as the difference between the present basic price of wool for domestic consumption and the average market price for each auction series. The amount of subsidy payable was to be as determined by the Australian Wool Realisation Commission. The basic price of wool for domestic consumption was the price determined under reg. 23 of the Wool Regulations as amended. The words "auction series" had reference to a long-standing practice
20 under which auctions are held from time to time at different wool-selling centres—Sydney, Melbourne, Geelong and other cities. A "series" is constituted by one sale by each wool-selling broker who has wool for sale at the particular time in the particular centre. The basic price was fixed at first at appraisement price plus 10 per cent. in the case of shorn wool and 5 per cent. in the case of skin wool. The "appraisement price" was the 1945–1946 appraisement price, and it was ascertainable by the Commission by reference to the table of limits for that wool year.

It was not anticipated at the outset that it would be necessary (apart from exceptional cases) for manufacturers to make application to the Commission for subsidy. The Commission would have reports of sales
30 at auction series from the brokers, and would be able to compute the subsidy appropriate to each purchase at auction by a manufacturer. The Commission, however, decided at an early stage that it would require manufacturers to forward details of all wool on which subsidy was claimed, and after 20th March, 1947, it required this to be done on a printed form, in which the manufacturer "declared" (*inter alia*) "as a condition of receiving subsidy" on the wool comprised in the claim—"(*c*) that if all or any of the wool is not for any reason used for manufacture of goods eligible for subsidy, the subsidy paid will be refunded to the Australian Wool Realisation Commission as agent for the Commonwealth, and (*d*) that
40 the above information is a true and correct statement of wool for manufacture of subsidised goods within the Commonwealth purchased by the said manufacturer." It is important to note these references to "goods eligible for subsidy" and "subsidised goods." (The italics are, of course, ours.) There are other such references in the material before the Court. The subsidy is regarded as a subsidy on manufactured goods. It is granted because the Commonwealth has fixed maximum prices to the consumer for those goods. Goods would not naturally be regarded as "eligible for subsidy" unless their price to the consumer was so fixed, and, if wool is used otherwise than in the manufacture of goods eligible for subsidy, any
50 subsidy which may have been paid must be refunded.

*In the
Full Court
of the
High Court
of
Australia.*

No. 13.
Joint
Reasons
for
Judgment,
continued.

The Plaintiff Company from time to time made claims for subsidy, tendering in each case the required declaration. These were checked with brokers' invoices forwarded by the broker to the Commission, and on the information so obtained and on the 1945-1946 table of limits the Commission computed the amount of subsidy. The cheque forwarded in payment was accompanied in every case by a statement which showed the weight in pounds of each lot purchased, the series average price as computed by the Commission, the basic cost per pound, the rate of subsidy per pound, the total amount of subsidy in respect of each lot, and the total amount covered by the cheque. The statement contained at the foot 10 the following clause: "Payment of this amount is made to you by the Australian Wool Realization Commission as Agent for the Government of the Commonwealth of Australia in accordance with the principles of the Prices Stabilisation Plan and the Government retains the right to review and, if necessary, vary the amount of subsidy so paid."

On the 21st April, 1947, manufacturers were informed by the Commission by letter that the Prices Commissioner had "ruled" that subsidisation of wool purchased by a manufacturer during the 1946-1947 season was proposed only on the quantity of wool necessary for him to carry on his normal manufacturing activities to 30th June, 1947, and for 20 any period thereafter during which he was unable to obtain supplies of wool from the market. The letter concluded: "If any manufacturer is found to have purchased wool in excess of these requirements, payment of subsidy on such excess will be withheld by the Commission." It may be mentioned here that the stocks held by the Plaintiff Company at 30th June, 1947, were closely investigated by the Prices Commissioner, who appears to have required the Company to reduce its stocks, and it was not until 10th November, 1947, that the Commissioner declared himself satisfied that stocks had been reduced in accordance with his instructions, and a cheque for £3,870 was forwarded to the Company 30 representing the balance of subsidy claimed on purchases made in the 1946-1947 season.

On the 27th August, 1947, the Commission wrote to manufacturers, saying that it had been directed by the Prices Commissioner to inform them that the existing subsidisation scheme was to continue until further notice, subject to certain amendments, which were stated. The letter concluded: "The Commissioner has also been directed to inform all manufacturers purchasing wool that subsidy will be paid only on purchases of wool for current manufacturing requirements, and that payment may be withheld in instances where purchases are in excess of current reasonable 40 requirements for manufacture."

During the two wool years 1946-1947 and 1947-1948 the Plaintiff Company purchased large quantities of wool both at auction and privately, and large sums were paid to it by way of subsidy. The position as at 30th June, 1948, was that, while a subsidy had been paid to it in respect of wool purchased up to April, 1948, purchases had been made in April, May and June, 1948, in respect of which subsidy had been claimed but had not been paid. The amount of subsidy so claimed and unpaid was subsequently computed by the Commission as £108,871 and this is one of the two sums claimed by the Company in the action. 50

Early in June, 1948, it was announced in the press that the Commonwealth Government intended to discontinue the subsidy system as from 30th June, 1948. The announcement seems to have been made with some suddenness, but it may well be that it had been expected for some time. The decision to discontinue paying subsidies was a more or less necessary incident or corollary of a decision that the Commonwealth should, after September, 1948, vacate the field of price control in favour of the States. This decision in its turn was doubtless occasioned by a growing doubt as to the constitutional validity of Commonwealth legislation

10 controlling prices: this Court had already had occasion to observe that the defence power, greatly enlarged in practical application in war-time, had begun to contract. The subsidy scheme had been an incident of Commonwealth price control, and, when the Commonwealth ceased to control prices, it would naturally cease to pay subsidies. It was, however, not a simple matter of declaring that subsidy would not be paid after a specified date. The Government was concerned about a number of matters incidental to the cessation of the payment of subsidies. It was

20 in such a way that manufacturers should enter the new period so far as possible on equal terms. One thing which this conception was regarded as involving was the transfer of wool by manufacturers with comparatively large stocks to manufacturers with comparatively small stocks, and towards the end of 1948 the Plaintiff Company, at the instance of the Commission, sold 200 bales of wool to another manufacturer. In the ultimate computation of stocks, which was later made, this wool was, of course, excluded. But the Government was concerned with much more than that. It was concerned to ensure that wool, on which subsidy had been paid by the Commonwealth, should not be used—or at any rate

30 should not be used after a certain date—in the manufacture of goods which would not be subject to Commonwealth price control. This concern would be the more pressing because it must have been anticipated that the State Prices Commissioners would allow an increase in the prices of manufactured woollen goods: the States would be precluded by section 90 of the Constitution from granting subsidies, even if they were willing and able to do so. The situation obviously necessitated some sort of compromise by way of solution. It was in fact met, as will be seen, by a decision that the subsidy scheme should be finalised on the basis that each manufacturer would have in stock at 30th June, 1948, so much subsidies

40 wool as would suffice for his manufacturing requirements for $5\frac{1}{2}$ months from that date. The period of $5\frac{1}{2}$ months would end at the “Christmas close-down” of the factories about the middle of December.

By a letter of 18th June, 1948, the Commission suggested to manufacturers that a conference should be held at an early date to discuss matters in connection with the cessation of the subsidy scheme. In the course of this letter the Commission said that the decision to discontinue subsidies on wool “is, of course, subject to the ruling previously given that subsidy will only be considered in respect of such wools as are required to tide a manufacturer over until he is able to obtain wool from the market

50 in the 1948–1949 wool season.” The letter suggests that the agenda for the conference should include the subject of “what would constitute reasonable stocks of subsidised wool in the hands of manufacturers as at

*In the
Full Court
of the
High Court
of
Australia.*

—
No. 13.
Joint
Reasons
for
Judgment,
continued.

*In the
Full Court
of the
High Court
of
Australia.*

No. 13.
Joint
Reasons
for
Judgment,
continued.

30th June, 1948 (i.e. four, five or six months' stocks based on 1947-1948 consumption)." The suggested conference was held on 24th June, but no conclusion could be reached in the absence of information as to stocks then held by individual manufacturers. Information as to stock held, on which subsidy had been paid or was being claimed, and as to the number of months over which that stock would last, was sought by the Commission by telegram, to which the Plaintiff Company replied on 28th June, stating the "anticipated stock in lbs. weight greasy basis as at close of 1947-1948 season on which subsidy had been paid or is being claimed" as 1,960,000 lbs., and the "number of months that the estimated stock would last at current average rate of consumption" as "about six months over all." The weight given, on an average of 280 lbs. to the bale, would be the equivalent of 7,000 bales. In correspondence which followed reference is made to the question of the stage at which wool which has been taken from bales for the purpose of manufacture should be considered as having so far entered on the process of manufacture as no longer to be properly regarded as raw material. The various stages are described in the evidence, but nothing in the case appears to turn on this. 10

After discussion by correspondence with representatives of manufacturers, from which it appeared that agreement was not likely to be reached, the Commission decided to recommend to the Commonwealth Government that it "lay down a basis of equalisation." The decision of the Government was announced by the Commission in a letter of 30th August, 1948, in which it said: "After discussions with representatives of your association the Government has decided that manufacturers, where possible, should be allowed sufficient stocks of subsidised wool to last them over all for 5½ months from the 30th June, 1948." The purpose of the letter was said to be "to outline administrative procedure relating to the equalisation of subsidised wool stocks in accordance with the decision of the Commonwealth Government." After dealing with the transfer of wool from mills with excess stocks to mills with deficient stocks (a matter which has already been mentioned) the letter proceeded: "The Commonwealth Prices Commissioner has now declared that goods manufactured from wool stocks in excess of 5½ months' normal requirements from 30th June, 1948, are ineligible for wool subsidy. Therefore, in accordance with sub-paragraph (c) of the conditions under which subsidy has been claimed on wool . . . the subsidy on wool stocks in excess of this period will be either withheld in cases where payment has not yet been made or must be refunded to the Commission as agent for the Commonwealth Government if payment of subsidy has already been made." Again it is *manufactured goods* that are regarded as "eligible for subsidy." The sub-paragraph (c) which is referred to in this passage, and which has already been cited, declared that it was a condition of receiving subsidy on wool "that if all or any of the wool is not for any reason used for manufacture of goods eligible for subsidy the subsidy paid will be refunded to the Australian Wool Realization Commission as agent for the Commonwealth." 30 40

On 14th September, 1948, the Commission wrote to the company a letter in which, after referring to what had been said in the letter of 30th August, it said: "From an analysis of your statutory declaration of 7th July, 1948, in respect of stocks of raw material as at 30th June, 1948, and movements of raw wool in the preceding twelve months it would appear 50

that, after taking into consideration all unpaid claims for subsidy, your company was holding the equivalent of 273,564 lbs. of greasy wool in excess of 5½ months' requirements at that date. Scoured wool has been converted to a greasy basis on an estimated yield of 69 per cent." The Commission's calculation was made in the following manner. The "excess stocks" of subsidised wool are first computed by deducting from the stock held at 30th June, 1948, as returned by the company, the 5½ months' requirements, which are calculated on the basis of the actual "usage" by the company in the year ended 30th June, 1948. The quantity so

10 ascertained is 838,457 lbs. The calculation then, so to speak, credits the company with the quantity of wool purchased on which subsidy has been claimed but not paid, which is stated as 564,893 lbs. The difference between these two figures is 273,564 lbs., and the letter concludes: "quantity over-subsidised on which a refund of subsidy will be required—273,564 lbs." The basis of this calculation and of later calculations set out in later letters seems to be this. The Commission is reviewing the whole period of two years during which the subsidy system has been in operation and is saying: "We are discontinuing subsidies after 30th June, 1948. The total amount of subsidy, to which we are going to treat you, the

20 manufacturer, as entitled in respect of your purchases during the last two years, is such as will leave you at 30th June, 1948, with 5½ months' requirements of subsidised wool in stock. We will pay your outstanding claims for subsidy to an extent which will give you at 30th June, 1948, 5½ months' requirements in the shape of subsidised stock. But, if payments of subsidy already made have been of such a total amount as to leave you at that date with more than your 5½ months' requirements of subsidised wool, then you must repay to us the equivalent of the excess."

On 21st September the Company replied to the Commission's letter of 14th September. In this letter the company clearly accepted the "basis of equalisation" on which the Commission's calculations had been made, but

30 it made two points. In the first place, it said that its current production of manufactured goods was in fact considerably larger than it had been in 1947-1948, and it suggested that its 5½ months' requirements should be calculated on its actual usage of wool in the eleven weeks of that period which had by now elapsed. In the second place, it called attention to the fact that its outstanding claims for subsidy included a quantity of scoured wool, and that for the purpose of calculating subsidy this scoured wool ought to have been converted to a greasy basis. The Commission in a letter of 23rd September, said that it was agreeable to calculating the 5½ months'

40 requirements of the company on the basis of actual usage between 1st July and the Christmas close-down of the company's factory. It also accepted the position that the scoured wool included in the company's outstanding claim ought to be converted to a greasy basis. The result (on the assumption that the company's increased production was maintained) may be stated as being that the company, instead of being over-subsidised to the extent of 273,564 lbs. was under-subsidised to the extent of 299,080 lbs.

It may be observed at this stage that it was clearly possible either that a manufacturer's stocks on hand at Christmas, 1948, might include wool purchased before 1st July, 1946 (which would almost certainly be appraisal wool), or that "usage" during the 5½ months after 30th June, 1948,

50 might include wool purchased after that date. It follows that it was possible

*In the
Full Court
of the
High Court
of
Australia.*

—
No. 13.
Joint
Reasons
for
Judgment,
continued.

*In the
Full Court
of the
High Court
of
Australia.*

No. 13.
Joint
Reasons
for
Judgment,
continued.

that wool on hand at the Christmas close-down in 1948 might include either appraisalment wool or directly subsidised wool or both. (It has already been pointed out that appraisalment wool had in effect been "subsidised," though not by direct payment to the manufacturer). It is not difficult to infer from the minutes of the conference of 24th June that each of these possibilities was realised by the Prices Commissioner and by the Commission, and that what was contemplated throughout was that each manufacturer should at the end of the 5½ months be in the position of having turned his stocks of subsidised wool into manufactured goods. Mr. Walsh, a representative of the Commission at the conference of 24th June, said: "The conditions under which this subsidy on wool is being made available are, in the words of the Prime Minister, that it should be used in the manufacture of goods under controlled prices." "Controlled prices" meant, of course, "prices controlled by the Commonwealth." To this Mr. Stanley, a representative of top-makers, replied: "That is only natural." The Commonwealth was about to vacate the field of price control, and, if subsidised wool were retained thereafter, it could be used in the manufacture of goods the sale of which might not be subject to price control at all and in any case would not be subject to price control by the Commonwealth. It would thus seem that the period of five and a half months was fixed as a more or less arbitrary period for which sufficient subsidised stocks would be allowed, and at the end of which subsidised stocks were expected to have been turned into manufactured goods. 10

On the 15th December, 1948, the Commission addressed to manufacturers a letter which indicated that stocks of subsidised wool on hand at the end of 1948 would be taken into account in the final adjustment and that for this purpose appraisalment wool was to be treated as subsidised wool. This letter, after referring to previous announcements as providing an "interim basis for finalisation," announced that the Prices Commissioner had now authorised the basis on which final adjustments under the wool subsidy scheme would be effected. Regard was to be had to stocks held by manufacturers "in subsidised form" at the Christmas, 1948, close-down. "Subsidised form" was said to mean that subsidy had been claimed or paid on the wool or the wool content of manufactured or semi-manufactured goods in stock or that the wool or the wool content was appraisalment wool on which part of the purchase price was deferred and contingently payable under the National Security (Price of Wool for Manufacture for Export) Regulations. The letter contained the following passage: "On receipt of these returns, which should be rendered not later than 7th January, 1949, the Commission will take the following action:—(a) *Original bale stocks and greasy wool not in original bales (ANNEXURES A & B)*. After appraisalment of greasy wool not in original bales, a calculation will be made of the amount of subsidy paid or payable on such types of wool according to the following scale:—(i) *Wool Purchased in the 1947–1948 Season*:—The average subsidy computed on individual types over the whole of the 1947–1948 Season auction sales. This is the difference between the basic cost and the average price for the Season on such type. (ii) *Wool Purchased in the 1946–1947 Season*:—The subsidy actually paid on the wool. (iii) *Wool Purchased by manufacturers ex appraisalment*:—The subsidy which would have been payable on the same types of wool in the first half of the 1946–47 Season, or the deferred portion of the purchase price whichever is the higher." The letter proceeded: "The manufacturer will be 30 40 50

presented with statements showing the nett cost of the wool after subsidy has been adjusted for the purposes of costing for State Price Control, and the amount of subsidy calculated on this basis on the wool. The amount so calculated will be either offset against amounts of subsidy outstanding on account of the manufacturer or are to be refunded by the manufacturer." Returns were requested of wool held at the Christmas, 1948, close-down "which has been the subject of a claim for subsidy or which is wool appraised during the seasons 1939-1940 to 1945-1946," and forms to be used for the purpose of making these returns were enclosed. The mention of "State price control" is, of course, a reference to the fact that the control of prices is now a subject of State legislation and not of Commonwealth legislation. It was actually in September, 1948, the Commonwealth control of prices ceased and State control took its place.

The required returns were duly made by the Plaintiff company on 12th January, 1949. These returns showed that the company had on hand at the Christmas close-down in 1948 the 201 bales of appraisalment wool which have been mentioned above, and also a very considerable quantity of wool (some in the original bales and some broached from the original bales) purchased during the years 1946-1947 and 1947-1948. On the other hand, it had in fact used in manufacture a considerable number of bales of wool purchased by it after 30th June, 1948. The returns were accompanied by a letter explaining this latter fact. To this letter the Commission replied on 24th January, 1949, by a letter in the course of which it said: "I am to advise you that the Commission is required to ensure that all greasy wool held at the Christmas, 1948, close-down is freed from subsidy and that therefore no allowance can be made for quantities of unsubsidised 1948-1949 Season wool used in manufacture prior to that date. It is pointed out that the basis laid down of 5½ months' normal requirements *presupposed the use of such wool in the time stipulated*, and, if for any reason the wool was not used, subsidy must be adjusted thereon. Relief in regard to this aspect is a matter for discussion between you and the Prices Authorities."

This letter was followed by a letter of 25th February, 1949, in which the Commission calculated that the sum of £67,282 was owing by the Plaintiff company to the Commonwealth. The calculation was made in the same way as a previous calculation to which reference has been made. In effect the Commission debited the company with certain amounts in respect of the stocks of appraisalment wool and wool purchased during 1946-1947 and 1947-1948, and held in stock at the Christmas close-down. The total amount attributable to all this wool was the sum of £176,153. The Commission then credited the company with the amount of subsidy which had been claimed and computed on the wool purchased between April and June, 1948, but which had not been paid. The total sum calculated in respect of this wool amounted to £108,871. The Commission demanded payment to it of the difference between these two sums, i.e. the sum of £67,282. The amounts which appeared in the calculation in respect of the 201 bales of appraisalment wool and the wool purchased in 1946-1947 and 1947-1948 were apparently calculated in the ways which had been indicated in the passage quoted above from the Commission's letter of 15th December, 1948. The Commission begins by calculating on the respective bases set out in that letter the total amount of "subsidy" appropriate to all

*In the
Full Court
of the
High Court
of
Australia.*

No. 13.
Joint
Reasons
for
Judgment,
continued.

*In the
Full Court
of the
High Court
of
Australia.*
—
No. 13.
Joint
Reasons
for
Judgment,
continued.

the wool held in stock at Christmas, 1948, which was either appraisement wool or wool which had been purchased during the two subsidy years. If the whole of that amount had been paid to the company, the company would have been required to repay the whole of that amount. But, because a part of that amount has not been paid to the company, the sum regarded as repayable must be reduced by the sum so unpaid. It may be added that it does not appear to be possible to attribute any particular wool to this sum of £67,282. That sum simply represents the difference between the two amounts which are arrived at in the manner indicated.

Demands for the payment of the sum of £67,282 were repeated, and on 10 the 13th April, 1949, the Commission stated that, unless prompt payment were made, it would "refer the matter to the Crown Law Authorities." On the 14th April the company wrote stating that it was engaged in preparing details of a counterclaim which would be forwarded to the Commission when completed. On 9th May, 1949, the company forwarded to the Commission's office in Sydney its cheque for the sum of £67,282 with a letter which was headed "Finalisation of Wool Subsidy Scheme," and which said "We refer to previous correspondence between this company and your Melbourne office with reference to the above finalisation, and now enclose our cheque for £67,282 being the amount claimed by the Commission 20 as refundable." On the same day, however, the company addressed a letter to the Commission at its Melbourne office in which it stated that it was forwarding to the Sydney office of the Commission its cheque for £67,282 but that it would "continue to press" a "counterclaim." The counterclaim is in substance a claim to be paid subsidy in respect of 2,115 bales of wool which was purchased after the 30th June, 1948, and which had been actually used in manufacture before the Christmas close-down "in preference to subsidised wool on hand." On this basis it claimed a sum of £92,002 : 10 : 0, i.e. at the rate of £43 : 10 : 0 per bale, a figure based not on the actual prices paid for the 2,115 bales but on the average of the 30 "subsidies" calculated by the Commission in its letter of the 25th February. The counterclaim was forwarded by the Commission to the Prices Commissioner, who rejected it, saying that "there is no authority to subsidise wool purchased after 31st July, 1948." No claim is now made on the basis of this counterclaim, but the company seeks to recover the sum of £67,282 paid by it to the Commission on the 9th May 1949.

Consideration of the Plaintiff Company's claims could not have been undertaken without an examination of the somewhat complicated facts and events outlined above. But the two questions which now seem to emerge do not seem to us to present any very serious difficulty. Those 40 questions are (1) whether the Commonwealth bound itself by contract to pay to the Plaintiff Company the sums claimed by way of subsidy in respect of the wool purchased in April, May and June, 1948, and (2) whether an action for money had and received will lie in respect of the sum of £67,282, which was paid by the Company to the Commonwealth on the 9th May, 1949.

It is obvious that on the threshold of the first question lie two constitutional questions, the one general and the other particular, and, although it is not necessary to determine either, both should certainly be mentioned. The general question arises from the fact that the contract 50 alleged is a contract with the Crown, and it may be framed in general

terms thus: In the absence of antecedent statutory authority, could a valid contract of the nature alleged in this case be made, binding the Crown to pay public moneys to the Plaintiff? (There is, of course, the subsidiary question whether either the Prices Commissioner or the Australian Wool Realization Commission was in a position to bind the Commonwealth by such a contract as is alleged.) The particular question arises from the fact that the powers of the Parliament and Government of the Commonwealth are limited by the Constitution, and it is whether the expenditure of moneys of the Commonwealth in the payment of "subsidies" was
 10 authorised by the Constitution.

What we have called the "particular" question was not raised by the pleadings or argued. Section 81 of the Constitution authorises the appropriation of the revenues and moneys of the Commonwealth for the purposes of the Commonwealth. The payment of "subsidies" would appear to be a payment of "bounties" within the meaning of the Constitution, but section 51 (iii) authorises only the making of laws with respect to bounties "on the production or export of goods," and the subsidies in question were not made payable on the production or export of goods—unless indeed we regard the subsidy (as the Prices Commissioner
 20 seems to have regarded it) as a subsidy "on" goods manufactured, a view which, in the last analysis, would be fatal to the Plaintiff. The justification, however, for the appropriation of moneys for paying subsidies would probably, if challenged, be sought in the defence power, which is conferred by section 51 (vi). It would be said that such payments were an incident of the exercise of the power to control prices, which has ever since *Farey v. Burrutt* (1916), 21 C.L.R. 433, been regarded as included in the defence power in time of war and for a limited time thereafter. No defence of lack of power having been raised, the matter need not be pursued further.

30 With regard to what we have called the "general" question and its "subsidiary" question, there is clearly much to be said for the view that both questions should be answered against the Plaintiff. The case bears no resemblance to *New South Wales v. Bardolph* (1934), 52 C.L.R. 455, in which an officer of the Premier's Department, with the authority of the Premier, signed a contract in the ordinary course of the carrying on of an activity of a more or less commercial character under governmental control. The position, however, is the subject of two "admissions" in writing made by the Commonwealth in these proceedings. These are
 40 (1) that "the Australian Wool Realization Commission and the Commonwealth Prices Commissioner were the agents of the Government of the Commonwealth in dealings with the Plaintiff relating in any way to the subsidy on wool," and (2) that "if, as a result of the communications and dealings between the parties and/or their agents a contract was made which would be enforceable subject only to the provision of funds by Parliament, the Defendant does not dispute liability on the ground that such statutory provision was not made (if that be the fact)." With regard to the first of these admissions, we take it as meaning neither more nor less than that the Commissioner and the Commission had the authority of the Executive Government of the Commonwealth to write and do the
 50 things that were written and done by them respectively in and about the matter of the payment of subsidies to the Plaintiff. The second admission

*In the
Full Court
of the
High Court
of
Australia.*

No. 13.
Joint
Reasons
for
Judgment,
continued.

*In the
Full Court
of the
High Court
of
Australia.*

No. 13.
Joint
Reasons
for
Judgment,
continued.

does not appear in terms to mean very much, because *any* contract by the Crown to pay money would, of necessity, be subject to the provision of funds by Act of Parliament, and it is well settled that judgment may be given against the Crown on a contract although that judgment cannot be enforced in the absence of such a statutory provision: see *Bardolph's* case (1934), 52 C.L.R. 455. The admission, however, was probably intended to go further, and, it was, we think, treated as going further. The intention seems to have been that the Crown would not rely on the absence of statutory authority if otherwise the proper inference from the facts would be that a contract binding the Crown was made. At the same time, 10 Mr. Windeyer very properly insisted that he was entitled to rely on the absence of statutory authority as an element tending against the inference that a contract binding the Crown was intended by anybody. The fact that one of the parties to the dealings in question was the Crown is, of course, a relevant, and indeed a fundamental, consideration. The whole case may be said to illustrate the difficulties which ensue if one puts aside a vital element in an entire legal problem and seeks to obtain the decision of a court on an artificial basis. However, we have endeavoured to give effect to what the advisers of the Crown seem to have intended.

The contracts alleged by the Plaintiff are pleaded in paragraphs 3 20 and 4A of the Statement of Claim. Paragraph 3 alleges that "At or prior to the commencement of the wool season 1946-1947 the Defendant promised the Plaintiff that in consideration that the Plaintiff would during that season purchase wool at auction and otherwise than at auction for domestic consumption in Australia the Defendant would pay to the Plaintiff a subsidy." The alleged mode of determining the amount of the subsidy is then set out, but this may be put on one side for the moment. Paragraph 4A contains an identical allegation in respect of the wool season 1947-1948. In each case there follows an allegation that the Plaintiff made 30 purchases of wool from time to time "in pursuance of the said agreement." The contract put forward by the Plaintiff is thus seen to be of that type which is commonly said to be constituted by an offer of a promise for an act, the offer being accepted by the doing of the act. Such contracts are sometimes described as "unilateral" contracts, but the term is open to criticism on the ground that it is unscientific and misleading. There must of necessity be two parties to a contractual obligation. The position in such cases is simply that the consideration on the part of the offeree is completely executed by the doing of the very thing which constitutes acceptance of the offer. A well-known example in which a contract was held to have 40 been made is to be found in *Carlill v. Carbolic Smoke Ball Coy.* [1893] 1 Q.B. 256, which has been recently referred to as "that immortal case on unilateral contract" (J.C. Smith, 69 L.Q.R., at p. 102). Other well-known examples are the cases in which a reward is offered for the giving of information or for the finding and returning of lost property (e.g., *Williams v. Carwardine* (1833), 4 B. & Ad. 621, and *England v. Davidson* (1840), 11 A. & E. 856, and the cases in which there is forbearance by a creditor in return for the debtor's promise to give security (e.g., *Alliance Bank v. Broom* (1864), 2 Dr. & Sm. 289).

In cases of this class it is necessary, in order that a contract may be established, that it should be made to appear that the statement or announce- 50 ment which is relied on as a promise was really offered as consideration for

- the doing of the act, and that the act was really done in consideration of a potential promise inherent in the statement or announcement. Between the statement or announcement, which is put forward as an offer capable of acceptance by the doing of an act, and the act which is put forward as the executed consideration for the alleged promise, there must subsist, so to speak, the relation of a *quid pro quo*. One simple example will suffice to illustrate this. *A*, in Sydney, says to *B* in Melbourne: "I will pay you £1,000 on your arrival in Sydney." The next day *B* goes to Sydney. If these facts alone are proved, it is perfectly clear that no contract binding
- 10 *A* to pay £1,000 to *B* is established. For all that appears there may be no relation whatever between *A*'s statement and *B*'s act. It is quite consistent with the facts proved that *B* intended to go to Sydney anyhow, and that *A* is merely announcing that, if and when *B* arrives in Sydney, he will make a gift to him. The necessary relation is not shown to exist between the announcement and the act. Proof of further facts, however, might suffice to establish a contract. For example, it might be proved that *A*, on the day before the £1,000 was mentioned, had told *B* that it was a matter of vital importance to him (*A*) that *B* should come to Sydney forthwith, and that *B* objected that to go to Sydney at the moment might
- 20 involve him in financial loss. These further facts throw a different light on the statement on which *B* relies as an offer accepted by his going to Sydney. They are not necessarily conclusive, but it is now possible to infer (a) that the statement that £1,000 would be paid to *B* on arrival in Sydney was intended as an offer of a promise, (b) that the promise was offered as the consideration for the doing of an act by *B*, and (c) that the doing of the act was at once the acceptance of an offer and the providing of an executed consideration for a promise. The necessary connexion or relation between the announcement and the act is provided if the inference is drawn that *A* has requested *B* to go to Sydney.
- 30 The position has been stated above in terms of the technical doctrine of consideration, and this is, in our opinion, the correct way of stating it. But it may be referred to a principle which is fundamental to any conception of contract. It is of the essence of contract, regarded as a class of obligations, that there is a voluntary assumption of a legally enforceable duty. In such cases as the present, therefore, in order that a contract may be created by offer and acceptance, it is necessary that what is alleged to be an offer should have been intended to give rise, on the doing of the act, to an obligation. The intention must, of course, be judged in the light of the principle laid down in *Freeman v. Cooke* (1848), 2 Ex. 654, at page 663, but,
- 40 in the absence of such an intention, actual or imputed, the alleged "offer" cannot lead to a contract: there is, indeed, in such a case no true "offer."

A test which has not seldom been applied in such cases in order to determine whether a contract has been made or not is to ask whether there has been a request by the alleged promisor that the promisee shall do the act on which the latter relies. Such a request may, of course, be expressed or implied. In an interesting article in the *Law Quarterly Review* (69 L.Q.R. 99) to which Mr. Windeyer referred us and which has already been incidentally mentioned, Mr. J. C. Smith maintains that the presence of a request, express or implied, is an essential element in every true offer.

50 Sir A. Goodhart (67 L.Q.R. 456 and 69 L.Q.R. 106) contests this general proposition, maintaining in effect that the essential thing, in a case such as

*In the
Full Court
of the
High Court
of
Australia.*

—
No. 13.
Joint
Reasons
for
Judgment,
continued.

*In the
Full Court
of the
High Court
of
Australia.*

No. 13.
Joint
Reasons
for
Judgment,
continued.

the present, is that the "offeror" should *state a price* which the "offeree" must pay if he wishes to purchase a promise. This way of putting the position does not seem to differ materially from the way in which we have put it above. At the same time, it can hardly be denied that the presence or absence of an implied request to do the act may often provide a useful test for determining whether there has been a true offer and a true acceptance such as to bring a contract into existence: (cf. Salmond & Williams on Contracts, ed. 2, pages 104-5). We are really applying the same test if we ask whether the "offer" was made in order to induce the doing of the act. It seems to have been thought at one time that it was necessary for a Plaintiff in any action at law in which he relied on an executed consideration, to allege in his declaration a request by the Defendant that he should do the act which is relied on as providing the consideration. See, however, *Victors v. Davies* (1844), 12 M. & W. 758 at pages 759-760 where Parke, B., cites at length a note by Serjeant Manning to the case of *Fisher v. Pyne* (1840), 1 M. & G. 265, at pages 265-267 and distinguishes between the action for money lent and the action for money paid. These cases are referred to by Bowen, L.J., in *Carlill's Case* [1893] 1 Q.B. at page 271. Serjeant Manning refers to the possibility that the act which is said to provide the consideration may be a mere "gratuitous kindness." The position will, of course, be the same if the act, while not accurately described as a "gratuitous kindness," is not shown to have been done in return for, and in consideration of, the alleged promise. 10 20

The presence or absence of an implied request that the act be done has been regarded as material in a number of cases. In *Carlill's case* itself it is regarded as material by both Bowen, L.J. and A. L. Smith, L.J. Bowen, L.J. [1893] 1 Q.B. at pp. 270-271 says: "A further argument for the defendants was that this was a *nudum pactum* . . . that there was no consideration at all; in fact there was no request, express or implied, to use the smoke ball." His Lordship then refers to *Victors v. Davies* and *Fisher v. Pyne*, and proceeds: "The short answer, to abstain from academical discussion, is, it seems to me, that there is here a request to use involved in the offer." A. L. Smith, L.J. [1893] 1 Q.B. at p. 273 says: "Now, is there not a request here? It comes to this: 'In consideration of your buying my smoke ball, and then using it as I prescribe, I promise that, if you catch the influenza within a certain time, I will pay you £100.'" Several other illustrative cases are cited in Mr. Smith's article. It will suffice here to mention two cases, the one nearly a hundred years old and the other very recent. The correctness of the casual decision in *Shadwell v. Shadwell* (1860), 9 C.B. N.S. 159, is likely to be forever debated. Erle, C.J., and Keating, J., took, in the light of all the circumstances, one view of the letter on which the plaintiff relied: Byles, J., took another view. But the approach of all the learned judges to the problem of fact was exactly the same. Erle, C.J., and Keating, J. (at pp. 173-4) said:—"First, do these facts show a loss sustained by the plaintiff at his uncle's request? . . . If the promise was made *in order to induce* the parties to marry, the promise so made would be in legal effect a request to marry. Secondly, do these facts show a benefit, derived from the plaintiff, to his uncle at his request? . . . If the promise of the annuity was intended as an inducement to the marriage . . . this is the consideration averred in the declaration." Byles, J. (at p. 175) says: "The inquiry, therefore, narrows itself to this question: Does the letter itself disclose 30 40 50

any consideration for the promise?—the consideration relied on by the plaintiff's counsel being the subsequent marriage of the plaintiff." Then, after discussing the contents of the letter he said (at p. 177): "the question, therefore, is still further narrowed to this point:—Was the marriage at the testator's request? *Express* request there was none. Can any request be implied?" His lordship concludes that no such request can be implied, and that the marriage could not be said "to have taken place at the testator's request or, in other words, in consequence of that request." The very recent case is *Combe v. Combe* [1951] 2 K.B. 215. This is one of the

10 "forbearance" cases. Denning, L.J. (at p. 221) said: "Unilateral promises of this kind have long been enforced, so long as the act or forbearance is done on the faith of the promise and at the request of the promisor, express or implied. The act done is then in itself sufficient consideration for the promise, even though it arises *ex post facto*." And Asquith, L.J. (as he then was), said (at pp. 226–7): "I do not think an actual forbearance, as opposed to an agreement to forbear to approach the court, is a good consideration unless it proceeds from a request, express or implied, on the part of the promisor. If not moved by such a request, the forbearance is *not in respect* of the promise."

20 Coming to the present case, it is impossible, in our opinion, to hold that any contract was constituted at any stage binding the Commonwealth to pay a subsidy to the Plaintiff, or to any manufacturer, in consideration of a purchase of wool for local manufacture.

The position may be considered first as at the outset, and with reference to the original official announcement—the general announcement of 20th June, 1946, and the particular announcements to the Plaintiff Company of 6th and 20th August, 1946. It is to be observed, in the first place, that these announcements come not from a party having a commercial interest in the subject matter but from instrumentalities of a Government, which

30 has been dealing for years, and is still dealing, with a problem created by a great war. That problem is the maintenance of a price structure, and in particular its maintenance in relation to manufactured woollen goods. That is no new problem. It has been dealt with in the past by what was in substance and effect payment of a subsidy. For, as has been seen, the Commonwealth during the appraisalment period had paid to growers more than it charged to manufacturers for wool sold to them. The price to the manufacturer was after November, 1942, fixed by the Prices Commissioner and the difference between what the Commonwealth paid and what it received was the equivalent of a subsidy paid by the Commonwealth.

40 It could make no practical difference to the manufacturer whether the Commonwealth's money was paid to him or was paid to the grower. In either case he benefited—in the one case by a reduction in the price he had to pay, and in the other by a reimbursement of part of the price he paid. It is impossible to suggest that the Government ever contracted with manufacturers to sell them appraisalment wool at less than cost. The Government simply acquired wool and sold it to manufacturers at a price lower than it paid for it. The problem has not changed in character in June, 1946. The object to be attained is still to keep down the price of woollen goods to the consumer. And it is to be solved in the same way—

50 that is to say, by a subvention. The only difference is that, because the Government will no longer be acquiring and selling wool, the old method

*In the
Full Court
of the
High Court
of
Australia.*

—
No. 13.
Joint
Reasons
for
Judgment,
continued.

*In the
Full Court
of the
High Court
of
Australia.*

No. 13.
Joint
Reasons
for
Judgment,
continued.

is impracticable, and the subvention is to be paid direct to the manufacturer. No reason is suggested why the Government, which has not hitherto entered into any contract, should now propose to bind itself by contract. Again, the position is not that of a person proposing to expend moneys of his own. It is public moneys that are involved. Questions of general constitutional law have, as has been mentioned, been excluded from consideration, but, if there was an intention on the part of the Government to assume a legal obligation, one would certainly have expected statutory authority to be sought: the case, as has been pointed out is entirely unlike *Bardolph's* case. And one would *not* have expected the vital announcement to be made by persons who, in the ordinary course of things, could have no power to commit the Crown to the expenditure of a single penny. 10

The question at issue depends on an examination of documents, and not—except as a last resort—on probabilities. But the documents did not come into existence in a vacuum, and it is a relevant consideration that the announcements on which the Plaintiff relies did not emanate from someone who had something to sell or from a rich and generous uncle.

When one comes to the documents, it is not, in our opinion, possible to construe them as containing a standing offer, a standing offer capable of acceptance by the purchase of wool. It is impossible to find anywhere anything in the nature of a request or invitation to purchase wool, or anything which suggests that the payment of subsidy was put forward in order to induce any manufacturer to purchase wool, or which suggests that the payment of subsidy and the purchase of wool were regarded as related in such a way that the one was a consideration for the other. Whichever of the possibly legitimate tests is applied, the answer is the same. If we ask (what we think is the real and ultimate question) whether there is a promise offered in consideration of the doing of an act, as a price which is to be paid for the doing of an act, we cannot find such a promise. No relation of *quid pro quo* between a promise and an act can be inferred. If we ask whether there is an implied request or invitation to purchase wool, we cannot say that there is. If we ask whether the announcement that a subsidy would be paid was made in order to induce purchases of wool, no such intention can be inferred. 20 30

It is, of course, legitimate, if not necessary, to look at all the documents in which the intention to pay a subsidy is stated or referred to. But, if an offer of a promise for an act cannot be found in three initial documents, it cannot, in our opinion, be found at all. Those three documents are the letter of 20th June, 1946, from the Prices Commissioner to the Manufacturers' Association and the Council of Wool Selling Brokers (which enclosed a press statement of the Minister for Trade and Customs), the letter of 7th August, 1946, addressed by the Commission to manufacturers, including the Plaintiff, and the further letter of 20th August, 1946, from the Commission to manufacturers, including the Plaintiff. The first letter refers to recent discussions "relating to the subsidisation of raw wool purchased by Australian manufacturers for domestic consumption under auction conditions." It proceeds: "The Commonwealth Government has decided that subsidy will be paid to maintain the price of wool purchased for domestic use by Australian manufacturers after the 30th June, 1946." This is, in form and in substance, a mere announcement of a decision on a 40 50

matter of policy—of an intention which has been formed by the Government. The letter proceeds: “The Subsidy will be calculated as the difference between the present basic price of wool for domestic consumption and the average market price for each auction series. Manufacturers will be required to carry any excess cost by purchasing above average market level, but under certain specified conditions, will be allowed the benefit of keen buying at lower than average market level. The amount of subsidy payable will be as determined by the Australian Wool Realisation Commission. The administration of the scheme will be vested in the
 10 Australian Wool Realisation Commission and complete details of procedure will be made available to your members as soon as possible.”

*In the
Full Court
of the
High Court
of
Australia.*

—
No. 13.
Joint
Reasons
for
Judgment,
continued.

All this is perfectly consistent with a mere announcement of policy, and the references to possible benefits of keen buying and to the determination of amount by the Commission tend against any inference that an obligation is being assumed. The enclosed extract from the press says that the Minister “announced to-day that subsidy would be paid to maintain existing prices of wool to Australian manufacturers for utilisation in goods for domestic consumption when auction sales recommence after 30th June, 1946.” The “aim of the proposal” was stated to be “to place Australian
 20 manufacturers as nearly as possible in the same position as if they were buying in a competitive market prior to the war.” The statement added that “as an inducement to efficient buying manufacturers will obtain benefits from purchases made below average market level,” but these “benefits” are not defined, and never were defined. The letters of 7th and 20th August deal with the procedure to be followed in and about the claiming and payment of the proposed subsidy. There is nothing in any of these documents to support the view that the Commonwealth Government intended to assume a liability on any purchase of wool by any manufacturer. When it is decided to continue the payment of subsidies
 30 into the second wool year, all that is said is (in a letter dated 27th August, 1947): “The Commission has been directed by the Commonwealth Prices Commissioner to inform manufacturers that the existing scheme for the subsidisation of raw wool purchased for consumption within the Commonwealth is to continue until further notice.” The “terms and conditions of payment,” which differ somewhat from those previously laid down are then stated.

It is impossible, in our opinion, to infer from these documents anything more than an announcement of intention, which is not capable of leading to a contract. But the matter does not rest there. In the correspondence
 40 which took place during the subsidy period there is material which not merely suggests that it is impossible to formulate with precision the terms of any contract, but indicates that the payment of subsidies was regarded, as entirely a matter of discretion.

In a letter to the Plaintiff of 20th August, 1946, the Commission says that “all sales will be subject to close scrutiny” and proceeds: “The Commission will take into account instances where Australian manufacturers bid against each other or against overseas competition in a manner which might be deemed unreasonable having regard to the state of the market, and may be forced to take action to protect the funds of
 50 the Commonwealth where it has adequate reason to believe that the bids on certain types constituted a departure from normal bidding on a pre-war

*In the
Full Court
of the
High Court
of
Australia.*

No. 13.
Joint
Reasons
for
Judgment,
continued.

basis." On the 20th February, 1948, the Commission, in a letter to the Plaintiff Company, drew attention to this statement, and asserted that the Company had, by its method of bidding and the extent of its purchases at a particular sale at Geelong, prevented other buyers from operating. The letter proceeded:—"Under the circumstances the Commission is not prepared to assess the average market level on these transactions, and the question of payment of subsidy on these claims ceases to come within the delegation given to the Commission by the Prices Commissioner. Your claims for payment of subsidy on purchases of extra super warp wools in Geelong series No. 4, have therefore been referred to the Commonwealth Prices Branch, Canberra, for consideration in accordance with the principles of the Prices Stabilisation Plan. It is requested that you address further correspondence on this matter to that authority. Payment on certain other claims has also been deferred, pending an investigation on your premises into the quantity and nature of your holdings of raw wool stocks." In response to this letter no suggestion is made by the Company that it has any legal right. It denies the Commission's allegations, protests against what it apparently regards as harsh treatment, and withdraws its claim for subsidy. 10

Again, the Minister's original statement, as has already been mentioned, said that manufacturers would obtain benefits from purchases made below average market level. These benefits were never defined. This cannot be fitted into any picture of the making of a contract. Again, with every cheque forwarded in payment of subsidy went a statement which said that the payment was "made in accordance with the principles of the Prices Stabilisation Plan," and that "the Government retains the right to review, and, if necessary, vary, the amount of subsidy so paid," i.e., the amount forwarded with the statement. Whether this was sufficient of itself to confer on the Crown a right to demand repayment of the whole or any part of the "amount so paid" need not be debated. But it cannot be reconciled with the conception that the Crown has promised to pay a subsidy of definite amount in consideration of a purchase of wool by the manufacturer. 20 30

Another incident which throws light on the position arose out of a re-sale by the Plaintiff Company in September, 1946, of 970 bales of wool which had been purchased by it in the appraisalment years. On the 24th February, 1947, the Commission writes to the Company, saying that the Prices Commissioner, having investigated this re-sale, has estimated that the Company derived from it a profit of £8,181, and "has directed" that this amount be deducted from subsidy in respect of purchases of wool at auction in the 1946-1947 season. The making of the deduction may have been, and probably was, regarded by the Prices Commissioner as justified by the principles of his Prices Stabilisation Plan, but it was not authorised by the terms of any contract alleged by the Plaintiff Company, and there is no reference in any of the communications which define the conditions of subsidisation to any right to make any such deduction. Yet the Company does not question the right to make this deduction. All it does is to contend that its actual profit was less than £8,181, with the result that a figure of £6,770 is ultimately (many months later) accepted, and the Commission forwards its cheque for the difference, £1,411. 40 50

Again, on 21st April, 1947 (when nearly ten months of the wool year have passed) the Commission writes to say that the Prices Commissioner "has ruled" that subsidy on wool purchased in 1946-1947 is to be paid only on "the quantity of wool necessary for carrying on a manufacturer's normal activities to the 30th June, 1947, and thereafter until he is able to obtain new season's wool on the market." The letter concludes: "If any manufacturer is found to have purchased wool in excess of these requirements, payment of subsidy on such excess will be withheld." It is obvious that this may involve a refusal of subsidy on wool already
 10 purchased. No suggestion is made that the Crown is bound to pay subsidy on such wool. Instead, the Company supplies particulars of its stocks over a number of years, the Prices Commissioner is ultimately satisfied, and a final payment of subsidy to the amount of £3,870 in respect of wool purchased in 1946-1947 is sent to the Company, though not until 10th November, 1947.

Finally, the attitude and conduct of the Company at the very end, when the Commission demands repayment of the sum of £67,282, are all of a piece with what has gone before. There is no suggestion that this sum or any part of it has been paid in discharge of a legal obligation.
 20 Instead, the sum claimed is paid in full, and a "counterclaim" is put forward which cannot have been regarded as having any legal foundation but which may have been regarded as representing a "fair thing." On the whole case the conclusion is unavoidable that the Commonwealth authorities never supposed for a moment that they intended to make an offer capable of leading to a contract binding the Crown, and that nobody ever supposed for a moment that they did so intend. A wide discretion in a variety of matters was clearly regarded by the authorities as residing in them, and was, in effect, acknowledged as residing in them. It is not only that substantial indications of the making of a contract or contracts
 30 are lacking. There are substantial indications to the contrary. There was an expectation, and there is nothing really in the case to suggest that every reasonable expectation was not satisfied. In the well known words of Lord Buckmaster in *Considine v. McInerney* [1921] 2 A.C. 162, at p. 170, "the expectation, though it might be relied on with full certainty, was nonetheless not a legal right, and no claim for it could be enforced by any legal proceedings."

If we had been of opinion that a contract was established, we should have had to go on to consider whether it was not an implied term of that contract that subsidised wool should be used in manufacture during the
 40 period of price control by the Commonwealth—a period which in fact ended in September, 1948, but is to be taken to have been extended, by way of concession, to the "Christmas close-down." We think that this was undoubtedly the intention of the authorities, and that there is a great deal to be said for the view that such a term must be taken to be implied if any contract is to be found. Being satisfied, however, that no contract was ever made, we prefer to dispose of the case on that ground.

With regard to the £67,282, it is possible that, if the Company had refused to repay it, the Commonwealth would have failed in an action to recover that sum. But the Company, on the demand of the Common-
 50 wealth, paid it voluntarily and with full knowledge of all the material facts. There is no foundation whatever for a claim for this sum as money had and received or on any other basis.

*In the
Full Court
of the
High Court
of
Australia.*

—
No. 13.
Joint
Reasons
for
Judgment,
continued.

In the Full Court of the High Court of Australia.

No. 13.
Joint Reasons for Judgment, *continued.*

The payment was accompanied by a "counterclaim," but it can hardly have been imagined that the counterclaim was legally tenable. The voluntary making of the payment is, we think, very significant. The most reasonable explanation of it is that the Company had throughout understood very well indeed the basis on which the Commonwealth authorities had entertained and paid claims for subsidies.

The action having been referred to this Court by Kitto, J., there should be judgment for the Defendant with costs.



No. 14.
Order,
4th May
1954.

No. 14.
ORDER.

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Full Court No. 23 of 1953.

IN THE HIGH COURT OF AUSTRALIA.
New South Wales Registry.

Between THE AUSTRALIAN WOOLLEN MILLS PTY.
LIMITED Plaintiff

and

THE COMMONWEALTH OF AUSTRALIA . Defendant.

Before Their Honors The CHIEF JUSTICE (Sir Owen Dixon), Mr. Justice WILLIAMS, Mr. Justice WEBB, Mr. Justice FULLAGAR and Mr. Justice KITTO.

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Tuesday the 4th day of May 1954.

WHEREAS by writ of summons filed on the 13th December 1949 the Plaintiff commenced an action in this Court in its original jurisdiction against the Defendant claiming the sum of One hundred and seventy-six thousand one hundred and fifty-three pounds (£176,153) AND WHEREAS the said action came on to be heard before his Honor Mr. Justice Kitto on the 6th and 7th days of May 1953 AND WHEREAS on the 7th day of May 1953 at the request of Counsel for the parties it was directed in pursuance of Section 18 of the Judiciary Act 1903-1948 that the case be argued before a Full Court of this Court at the sittings appointed to commence in Sydney on the 11th day of August 1953 AND WHEREAS the case came on for argument before this Court on the 31st day of August 1953 and on the 1st, 2nd, 3rd and 4th days of September 1953 WHEREUPON AND UPON READING the transcript record of the proceedings herein AND UPON HEARING Sir Garfield Barwick of Queen's Counsel who appeared with Mr. Holmes of Queen's Counsel and Mr. Leaver of Counsel for the Plaintiff and Mr. Windeyer of Queen's Counsel who appeared with Mr. Lush and Mr. Riley of Counsel for the Defendant

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THIS COURT DID ORDER that judgment in the action be reserved and the action standing in the paper this day for judgment accordingly in the presence of Mr. Riley of Counsel for the Defendant THIS COURT DOTH ORDER that judgment be entered for the Defendant in the action AND THIS COURT DOTH FURTHER ORDER that it be referred to the proper officer of this Court to tax and certify the costs of the Defendant of the action and that such costs when so taxed and certified be paid by the Plaintiff to the Defendant or to its solicitor David Dowson Bell, Crown Solicitor for the Commonwealth, of 108/120 Pitt Street, Sydney.

*In the
Full Court
of the
High Court
of
Australia.*

No. 14.
Order,
4th May
1954,
continued.

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By the Court,

(Sgd.) F. C. LINDSAY,
District Registrar.

No. 15.

ORDER granting Special Leave to Appeal to Her Majesty in Council, 30th July 1954.

(L.S.)

AT THE COURT AT ARUNDEL CASTLE.

The 30th day of July, 1954.

Present

THE QUEEN'S MOST EXCELLENT MAJESTY

LORD PRESIDENT	Mr. Secretary LENNOX-BOYD
EARL MARSHAL	Mr. Secretary STUART
EARL OF ROSEBURY	Mr. HEATHCOAT-AMORY
CHANCELLOR OF THE DUCHY OF LANCASTER	Mr LOW

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WHEREAS there was this day read at the Board a Report from the Judicial Committee of the Privy Council dated the 19th day of July 1954 in the words following viz. :—

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“ WHEREAS by virtue of His late Majesty King Edward the Seventh's Order in Council of the 18th day of October 1909 there was referred unto this Committee a humble Petition of the Australian Woollen Mills (Pty) Limited in the matter of an Appeal from the High Court of Australia between the Petitioner Appellant and the Commonwealth of Australia Respondent setting forth (amongst other matters) : that the Petitioner desires special leave to appeal from a Judgment of the High Court of Australia dated the 4th May 1954 in an action heard by the Court in its original jurisdiction in August and September 1953 : that no opportunity to appeal to any other Tribunal is available to the Petitioner : that the action was referred by the Judge of first instance to the Full Court for further hearing after oral evidence and a considerable amount of documentary evidence had been given : that the Petitioner as Plaintiff claimed in

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*In the
Privy
Council.*

No. 15.
Order
granting
special
leave to
Appeal
to Her
Majesty
in Council,
30th July
1954.

*In the
Privy
Council.*

No. 15.
Order
granting
special
leave to
Appeal
to Her
Majesty
in Council,
30th July
1954,
continued.

the action a total sum of £176,153 : that other actions are pending against the Commonwealth of Australia by Plaintiffs in a similar situation to the Petitioner upon identical causes of action which claims it is understood involve a considerable sum of money : that the Petitioner sued for an amount of subsidy which it claimed that the Respondent the Commonwealth of Australia promised to pay to it in consequence of its purchase at prices uneconomical to itself of wool for manufacture into goods for sale in Australia : that a principal question which would arise on an Appeal would be whether language promissory in form authorisedly used on behalf of a Government and acted upon by a person to whom it is addressed (as it was intended to be) fails to give rise to a binding obligation either (1) because the statement in promissory terms was also a statement of Government policy or (2) because though the action by the addressee according to the intended tenour of the statement was detrimental to him no definable and separable consideration moved to the Government itself : And humbly praying Your Majesty in Council to grant the Petitioner special leave to appeal from the Judgment of the High Court of Australia dated the 4th May 1954 and for such further Orders as to Your Majesty in Council may appear fit :

“ THE LORDS OF THE COMMITTEE in obedience to His late Majesty’s said Order in Council have taken the humble Petition into consideration and having heard Counsel in support thereof and in opposition thereto Their Lordships do this day agree humbly to report to Your Majesty as their opinion that leave ought to be granted to the Petitioner to enter and prosecute its Appeal against the Judgment of the High Court of Australia dated the 4th day of May, 1954, upon depositing in the Registry of the Privy Council the sum of £400 as security for costs :

“ AND Their Lordships do further report to Your Majesty that the proper officer of the said High Court ought to be directed to transmit to the Registrar of the Privy Council without delay an authenticated copy under seal of the Record proper to be laid before Your Majesty on the hearing of the Appeal upon payment by the Petitioner of the usual fees for the same.”

HER MAJESTY having taken the said Report into consideration was pleased by and with the advice of Her Privy Council to approve thereof and to order as it is hereby ordered that the same be punctually observed obeyed and carried into execution.

Whereof the Governor-General or Officer administering the Government of the Commonwealth of Australia for the time being and all other persons whom it may concern are to take notice and govern themselves accordingly.

W. G. AGNEW.

EXHIBITS.

Exhibits.

Exhibit A.

A.
Mutual
Admissions.**MUTUAL ADMISSIONS** by the parties for the purposes of this action.

1. The sale of wool by appraisalment under the National Security (Wool) Regulations ceased on the 31st day of July, 1946. Thereafter wool was sold by auction and private sale according to the system prevailing before the war of 1939-45.
2. Private sales of wool recommenced immediately after the 31st day of July, 1946. Auction sales recommenced with the Sydney Auction Series
10 beginning on the 2nd day of September, 1946.
3. The 1946-47 wool selling season began with the said Sydney Auction Series beginning on the 2nd day of September, 1946, and ended with the Melbourne Auction Series which finished on the 2nd day of July, 1947. The 1947-48 wool selling season began with the Sydney Auction Series beginning on the 1st day of September, 1947, and ending with the Geelong Auction Series which finished on the 1st day of July, 1948.
4. The Australian Wool Realisation Commission and the Commonwealth Prices Commissioner were the agents of the Government of the Commonwealth in dealings with the Plaintiff relating in any way to the
20 subsidy on wool.
5. The Plaintiff was at all material times a member of an Association known as Associated Woollen and Worsted Textile Manufacturers of Australia. The correspondence sent to or received from the said Association was sent to or received from the said Association acting on behalf of the Plaintiff (among other persons). The correspondence purporting to be sent to or received from the Central Wool Committee, the Australian Wool Realisation Commission, The Commonwealth Prices Commissioner, Messrs. Biggin & Ayrton, the Plaintiff and its Solicitors and the Crown Solicitor for the Commonwealth of Australia were so sent or received.
- 30 6. If as a result of the communications and dealings between the parties and/or their agents a contract was made which would be enforceable subject only to the provision of funds by Parliament, the Defendant does not dispute liability on the ground that such statutory provision was not made (if that be the fact).
7. The manufacturers' prices of goods manufactured by the Plaintiff for consumption within Australia were at all material times up to the 20th day of September, 1948, fixed by the Commonwealth Prices Commissioner. After the 20th day of September, 1948, the manufacturers' prices of the said goods were fixed by the Prices Commissioners in the
40 various States of the Commonwealth.

Exhibits.

Exhibit B.

B.
 Transcript
 of Pro-
 ceedings
 before
 His Honor
 Mr. Justice
 Kitto,
 1st May
 1952.

TRANSCRIPT OF PROCEEDINGS before His Honor Mr. Justice KITTO, Sydney,
 Thursday, 1st May, 1952, at 10.30 a.m.

Mr. HOLMES : I think the position is this now, your Honor, that the parties have gone a certain distance on making mutual admissions which will assist the working out of the case. They have framed some of the questions which could be referred, but in the course of that one matter has arisen which has made it quite clear to both of us that the pleadings ought to be amended as well and, in addition, there is a further question about which at present we are not agreed, rather as to a figure, but the Court might find that question answered in the way we would wish it answered, but on the other hand, we think that the parties getting together can work out that figure to their mutual satisfaction. So, in those circumstances, what we would suggest is that possibly the matter might stand over till, say, sometime in June—I say June in the anticipation that your Honor might be in Sydney for a short time in June—when we both think at that stage we will have agreed about those matters of facts and the matter will then be in complete order for your Honor to make an order referring the matter into the Full Court. 10

Of course, if we were not able to agree, no doubt there would have to be a trial and my friend wants that trial to come as soon as it can, but he is not in a position to go on with it at the moment and neither am I as events have turned out. So that, in those circumstances, and having told your Honor those matters, we would ask that the matter be stood over and we would leave it to your Honor to let us know when the matter could be placed in the list when your Honor is next in Sydney. 20

His HONOR : Yes, it is possible I may have a few days between the Melbourne and Brisbane sittings and if the matter is ready to be dealt with at all at that stage, I presume it could be dealt with quite shortly ?

Mr. HOLMES : Yes. Even if it went to trial it would still be only a trial on one of the issues of fact. The other issues of fact would be substantially agreed to subject to some rulings on evidence which would not take very long and I would think that the matter could be disposed of in two days at that stage. But I do not really prophesy that that is going to happen. I think it will be a matter of its coming to your Honor and then your Honor taking some exhibits from us and then referring a question to the Full Court. 30

His HONOR : You appreciate if it does require a two-day hearing I might not be able to do that until later ?

Mr. HOLMES : I appreciate that, your Honor. 40

His HONOR : However, that is not worrying you as a very likely probability ?

Mr. HOLMES : No.

Mr. WINDEYER : I agree in substance with what my friend has said. The position as we see it is now this : that my friend wishes to add

an alternative claim to his main claim. That claim, he agrees, cannot be made on the pleadings as they at present stand and we can give no certain assurance as to what will happen till we see that claim formulated. All that I ask, therefore, is that he should amend the statement of claim within, I suggest, 14 days, and I undertake that we will give what assistance we can to computing the sum to which he would be entitled on the alternative basis, if he be entitled to anything. So that no question of computation, we hope, will be left to the Court.

10 There is only one other thing which I would like to say if my friend desires to make clear a statement which appears on page 5 of the transcript. I do not think that either my friend or I wish to regard ourselves as bound by the exact words which, by this transcript, we are alleged to have said. But in order to make clear a statement which appears in the second paragraph on page 5, I would like to say this : if, from the correspondence and other facts, it appears that a contract between the Plaintiff and the executive Government was made which would be enforceable subject only to the provision of funds by Parliament, the Defendant will not dispute liability on the ground that there was no statutory appropriation or provision of the requisite funds if that should appear to be in fact the

20 case.

Further, the Defendant does not, if such a contract was, in fact, made on behalf of the Executive, desire to contest liability on the ground, if it be a fact, that there was no express statutory authority for the making of such a contract. But on the basic question of whether the correspondence and dealings between the parties were intended by them to constitute or did constitute a binding contract, the Defendant will point to the absence of any statutory authority for the wool subsidy scheme as one of the circumstances supporting its contention that the transactions between the parties were not on the basis of contract. Your Honor will appreciate

30 what we mean by that. We do not desire to take a defence which might possibly be open but which the Commonwealth considers it would not be meritorious in the circumstances to take.

His HONOR : Yes, I appreciate that. So far as the amendment is concerned, Mr. Holmes, what I said the other day was that it would be better to give both parties general leave to amend. As you apparently have discussed the question of amendment and you have a specific subject to which you want to direct amendment, I am wondering whether it might be more satisfactory if I gave leave to make that specific amendment. Originally, what I have in mind was that it is possible, of course, that

40 with the exercise of the greatest care you might produce an amendment which is clear enough to the mind of Counsel but not to someone who is unfamiliar with the case and if I refer the matter to the Court with the pleadings in that form a question of misunderstanding might arise which could have been cleared up originally if I pointed out anything that occurred to my mind. I am fully aware that if you gentlemen agreed on amendments to the pleadings there would probably be no reason or excuse for me exercising any sort of censorship about it.

Mr. HOLMES : We would be glad of your Honor's censorship and I appreciate what your Honor says. Actually, this amendment cannot

50 be completed till the discussions between the parties have gone on because

Exhibits.

—
B.
Transcript
of Pro-
ceedings
before
His Honor
Mr. Justice
Kitto,
1st May
1952,
continued.

Exhibits.

—
B.
Transcript
of Pro-
ceedings
before
His Honor
Mr. Justice
Kitto,
1st May
1952,
continued.

it will involve getting a sum of money into the pleading and we do not want to have one figure in the pleading and then agree about a different one at a later stage. That only adds to the troubles too and my friend has undertaken that his clients will do the best they can to assist us in the working out of this figure and the amendment will not be ready till we see how that works out—well, it could be, but it would not be very satisfactory.

His HONOR : I would not insist in any way on seeing this amendment first particularly if it is going to cause any embarrassment or delay. What do you feel about it yourself? Do you feel there is any possibility that when you frame it, a Court coming to the matter with no antecedent 10 knowledge of the facts at all might want some elucidation?

Mr. HOLMES : That might arise but I do not think it will. But possibly the answer to that is if your Honor gives us general liberty to amend, we make the amendments and my friend makes such amendments as he wishes in the light of it and your Honor sees the documents before the matter is referred and possibly then in discussion at that stage the matter might be dealt with.

His HONOR : Yes.

Mr. HOLMES : I feel that might be the more practical way in this situation although I appreciate what Your Honor has in mind. 20

His HONOR : Then all we need do at the moment is to stand the matter over to a date to be fixed?

Mr. WINDEYER : I would ask my friend to state the time in which he proposes to make this amendment—I would suggest 14 days.

Mr. HOLMES : If you think the parties, your people, can work out these facts in 14 days—and I think they could—then 14 days would be all right.

His HONOR : Amendments to be made to the statement of claim in 14 days. Do you want any time for your defence, Mr. Windeyer?

Mr. WINDEYER : I would suggest that possibly might be left at 30 the moment. Having regard to the form of the statement of claim as it at present appears, it is conceivable that we would want to ask for particulars of this new claim as we did of the earlier one, and for that reason I suggest that no time be fixed.

His HONOR : Well, then, the amendments to the statement of claim to be made within 14 days and the further hearing stand over to a date to be fixed.

Exhibit 2.

APPLICATION for an authorisation to purchase wool for the purpose of woollen manufacturers, 6th November, 1939.

To the Central Wool Committee,
540 Little Collins Street,
Melbourne.

Exhibits.

2.
Applica-
tion for an
Authorisa-
tion to
Purchase
Wool for
the
purpose of
Woollen
Manu-
facturers,
6th
November
1939.

1. WE THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED being desirous of obtaining wool pursuant to the National Security (Wool) Regulations for the purpose of Woollen Manufacture hereby apply to the Central
10 Wool Committee for authority to purchase wool for such purpose and we undertake faithfully to perform the conditions which the Central Wool Committee may think fit to impose upon granting such authority and in particular the conditions stated hereunder in paragraph 4 of this application.

2. We carry on operations as a Manufacturer of Worsted Cloths at Marrickville in the State of New South Wales.

3. We propose to employ or authorise the persons whose names and addresses follow to select or purchase wool on our behalf pursuant to this authority hereby applied for and we desire that they should be approved for that purpose by the Central Wool Committee.

20	Name.	Address.
	Richard C. Longworth,	46 Martin Place, Sydney.

4. We will comply with the following conditions, viz. :—

(i) A condition that to cover the costs and contingencies arising from the examination and purchase of wool by manufacturers under Regulation 23, a person authorised to purchase wool for the purpose of Woollen Manufacture shall make a contribution to the funds administered by the Central Wool Committee calculated at the rate of $\frac{1}{4}$ d. a pound of the wool purchased under such authority.

30 (ii) A condition that a person so authorised shall within 14 days after purchasing any wool in pursuance of such authority pay the appraised price, the delivery charges and the contribution aforesaid in respect of every parcel of wool so purchased.

(iii) A condition that a person so authorised shall not employ any servant, agent or other representative for the purpose of purchasing wool on his behalf who has not first been approved by the Central Wool Committee by a certificate under the hand of the Secretary.

40 (iv) A condition that no wool obtained in pursuance of this authority hereby applied for will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of our Woollen Manufacturing operations.

(v) A condition that the authority hereby applied for shall be liable to withdrawal by the Central Wool Committee.

Dated the Sixth day of November 1939.

(Signed) HAROLD LONGWORTH,
Managing Director.

Witness.

Woollen Manufacturer.

Exhibits.

2.

Authorisa-
tion to
Purchase
Wool,
9th
November
1939.

**AUTHORISATION to purchase wool for the purpose of woollen manufacture,
9th November, 1939.**

COMMONWEALTH OF AUSTRALIA.

CENTRAL WOOL COMMITTEE.

THE AUSTRALIAN WOOLLEN MILLS PTY. LTD., Marrickville, N.S.W., has been authorised by the Central Wool Committee, subject to the conditions stated hereunder, to purchase wool pursuant to Regulation 23 of the National Security (Wool) Regulations for the purpose of Woollen Manufacture.

The conditions which have been imposed upon this authority by the 10
Central Wool Committee are :—

(i) A condition that to cover the costs and contingencies arising from the examination and purchase by Manufacturers under Regulation 23 the said THE AUSTRALIAN WOOLLEN MILLS shall make a contribution to the funds administered by the Central Wool Committee calculated at the rate of $\frac{1}{4}$ d. a pound of the wool purchased under this authority.

(ii) A condition that the said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD. shall within 14 days after purchasing any wool in pursuance of this authority pay the appraised price, the delivery 20
charges and the contribution aforesaid in respect of every parcel of wool so purchased.

(iii) A condition that the said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD. shall not employ any servant, agent or other representative for the purpose of purchasing wool on his/their behalf who has not first been approved by the Central Wool Committee by certificate under the hand of the Secretary.

(iv) A condition that no wool obtained in pursuance of this authority will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose 30
of the Woollen Manufacturing operations of the said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.

(v) A condition that this authority is liable to withdrawal by the Central Wool Committee.

Dated the 9th day of November, 1939.

(Sgd.) H. B. LEIGH,
Secretary.

APPLICATION for an authorisation to purchase wool for the purpose of woollen manufacturers, 11th October, 1940.

Exhibits.

To the Central Wool Committee,
540 Little Collins Street,
Melbourne.

2.
Applica-
tion for an
Authorisa-
tion to
Purchase
Wool,
11th
October
1940.

1. WE THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED being desirous of obtaining wool pursuant to the National Security (Wool) Regulations for the purpose of Woollen Manufacture hereby apply to the Central Wool Committee for Authority to purchase wool for such purpose
10 and we undertake faithfully to perform the conditions which the Central Wool Committee may think fit to impose upon granting such authority and in particular the conditions stated hereunder in paragraph 4 of this application.

2. We carry on operations as a Manufacturer of WORSTED CLOTHS at MARRICKVILLE in the State of NEW SOUTH WALES.

3. We propose to employ or authorise the persons whose names and addresses follow to select or purchase wool on our behalf pursuant to this authority hereby applied for and we desire that they should be approved for that purpose by the Central Wool Committee.

20	Name	Address
	Richard Thomas Longworth (Jnr.)	52 Lang Road, Centennial Park, Sydney.
	James Inglis	C/o Wm. Haughton & Co. Pty. Ltd., 255A George St., Sydney.

4. We will comply with the following conditions, viz. :—

(I) A condition that a person so authorised shall within 14 days after purchasing any wool in pursuance of such authority pay the purchase price and the delivery charges in respect of every parcel of wool so purchased.

30 (II) A condition that a person so authorised shall not employ any servant, agent or other representative for the purpose of purchasing wool on his behalf who has not first been approved by the Central Wool Committee by a certificate under the hand of the Secretary.

(III) A condition that no wool obtained in pursuance of this authority hereby applied for will without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of our Woollen Manufacturing operations.

40 (IV) A condition that the authority hereby applied for shall be liable to withdrawal by the Central Wool Committee.

Dated the Eleventh day of October, 1940.

(Sgd.) J. W. L. CRANE,
Secretary,
Woollen Manufacturer.

Witness.

Exhibits.

2.

Authorisa-
tion to
Purchase
Wool,
14th
October
1940.

**AUTHORISATION to purchase wool for the purpose of woollen manufacture,
14th October, 1940.**

COMMONWEALTH OF AUSTRALIA.

CENTRAL WOOL COMMITTEE.

THE AUSTRALIAN WOOLLEN MILLS PTY. LTD., MARRICKVILLE has been authorised by the Central Wool Committee, subject to the conditions stated hereunder, to purchase wool pursuant to Regulation 23 of the National Security (Wool) Regulations for the purpose of Woollen Manufacture.

The conditions which have been imposed upon this authority by the Central Wool Committee are :— 10

(I) A condition that the said AUSTRALIAN WOOLLEN MILLS PTY. LTD. shall within 14 days after purchasing any wool in pursuance of this authority pay the purchase price and the delivery charges in respect of every parcel of wool so purchased.

(II) A condition that the said AUSTRALIAN WOOLLEN MILLS PTY. LTD. shall not employ any servant, agent or other representative for the purpose of purchasing wool on their behalf who has not first been approved by the Central Wool Committee by certificate under the hand of the Secretary. 20

(III) A condition that no wool obtained in pursuance of this authority will, without the consent of the Central Wool Committee, be dealt with disposed of or used otherwise than for the purpose of the Woollen Manufacturing operations of the said AUSTRALIAN WOOLLEN MILLS PTY. LTD.

(IV) A condition that this authority is liable to withdrawal by the Central Wool Committee.

Dated the 14th day of October, 1940.

(Sgd.) H. B. LEIGH,
Secretary. 30

Applica-
tion for an
Authorisa-
tion to
Purchase
Wool,
6th March
1941.

**APPLICATION for an authorisation to purchase wool for the purpose of woollen
manufacture, 6th March, 1941.**

To the Central Wool Committee,
540 Little Collins Street,
Melbourne.

1. We THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED being desirous of obtaining wool pursuant to the National Security (Wool) Regulations for Woollen Manufacture hereby apply to the Central Wool Committee for authority to purchase wool for the undermentioned purpose and we undertake faithfully to perform the conditions which the Central 40

Wool Committee may think fit to impose upon granting such authority and in particular the conditions stated hereunder in paragraph 4 of this application.

“(A) For the purpose of the manufacture of goods for distribution within the Commonwealth for domestic consumption ;

“(B) For the purpose of the manufacture of goods for delivery to the Department of Supply and Development for export on Empire Government military account.”

Exhibits.

2.

Application for an Authorisation to Purchase Wool, 6th March 1941, continued.

2. We carry on operations as a Manufacturer of WORSTED CLOTHS at
10 MARRICKVILLE in the State of NEW SOUTH WALES.

3. We propose to employ or authorise the persons whose names and addresses follow to select or purchase wool on our behalf pursuant to this authority hereby applied for and we desire that they should be approved for that purpose by the Central Wool Committee.

	<i>Name</i>	<i>Address</i>
	Biggin & Ayrton	252 George Street, Sydney and Wool Exchange, 122 King Street, Melbourne, Vic.
20	Richard C. Longworth	52 Lang Road, Centennial Park.
	Richard Thomas Longworth (Jnr.)	” ” ” ”
	James Inglis	C/o Wm. Haughton & Co. Pty. Ltd., 255A George Street, Sydney.

4. We will comply with the following conditions, viz. :—

(i) A condition that a person so authorised shall as regards payment for wool purchased be liable in accordance with the conditions set out in the Authorisations issued by the Central Wool Committee.

30 (ii) A condition that a person so authorised shall not employ any servant, agent or other representative for the purpose of purchasing wool on his behalf who has not first been approved by the Central Wool Committee by a certificate under the hand of the Secretary.

(iii) A condition that no wool obtained in pursuance of this authority hereby applied for will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of our Woollen Manufacturing operations.

(iv) A condition that the authority hereby applied for shall be liable to withdrawal by the Central Wool Committee.

40 Dated the Sixth day of March, 1941.

(Sgd.) J. W. L. CRANE,
Secretary,
Woollen Manufacturer.

Witness.

Exhibits. **AUTHORISATION to purchase wool for the purpose of woollen manufacture for domestic consumption, 10th March, 1941.**

2.
Authorisation to Purchase Wool, 10th March 1941.

Authority No. A. 33.

COMMONWEALTH OF AUSTRALIA.

CENTRAL WOOL COMMITTEE.

SEASON 1940-1941.

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED, MARRICKVILLE, NEW SOUTH WALES has been authorised by the Central Wool Committee, subject to the conditions stated hereunder, to purchase wool pursuant to Regulation 23 of the National Security (Wool) Regulations for the purpose 10 of Woollen Manufacture.

The conditions which have been imposed upon this Authority by the Central Wool Committee are :—

1. For all wool purchased under this Authority the said **THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.** shall be liable to pay the Central Wool Committee a price consisting of an amount representing the basic price fixed by the Central Wool Committee increased by 25%.

The basic price fixed by the Central Wool Committee for the Season 1940-1941 is appraised price plus 7½%. 20

The amount representing the basic price shall be paid together with delivery charges within fourteen days after purchase of the wool.

Payment of the remaining part of the price shall be deferred, but shall be made if and when demanded by the Central Wool Committee, which may remit such part upon proof to its satisfaction that the wool has been used in the manufacture of goods distributed for consumption within Australia.

2. The said **THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.** shall not employ any servant, agent or other representative for the 30 purpose of purchasing wool on his/their behalf who has not first been approved by the Central Wool Committee by certificate under the hand of the Secretary.

3. No wool obtained in pursuance of this Authority will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of manufacture by the said **THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.**

4. This authority is liable to withdrawal by the Central Wool Committee.

Dated this 10th day of March, 1941.

40

(Sgd.) H. B. LEIGH,
Secretary.

APPLICATION for an authorisation to purchase wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 13th October, 1941.

Exhibits.

SEASON 1941-1942.

To the Central Wool Committee,
540 Little Collins Street,
Melbourne.

2.
Applica-
tion for an
Authorisa-
tion to
Purchase
Wool,
13th
October
1941.

1. We THE AUSTRALIAN WOOLLEN MILLS PTY. LTD. being desirous of obtaining wool pursuant to the National Security (Wool) Regulations and the National Security (Price of Wool for Manufacture for Export) Regulations for the purpose of Manufacture for Export from Australia and of Manufacture for Consumption within Australia hereby apply to the Central Wool Committee for authority to purchase wool for such purposes and I/we undertake faithfully to perform the conditions which the Central Wool Committee may think fit to impose upon granting such authority and in particular the conditions stated hereunder in paragraph 4 of this application.

2. I/We carry on operations as Manufacturer of WORSTED CLOTHS at MARRICKVILLE in the State of NEW SOUTH WALES.

3. I/We propose to employ or authorise the persons whose names and addresses follow to select or purchase wool on my/our behalf pursuant to the authority hereby applied for and I/We desire that they should be approved for that purpose by the Central Wool Committee.

<i>Name</i>	<i>Address</i>
Richard C. Longworth	52 Lang Road, Centennial Park.
Richard Thomas Longworth (Jnr.)	52 Lang Road, Centennial Park.
James Inglis	C/- Wm. Haughton & Co. Pty. Ltd., 255A George Street, Sydney.
John Hastings Lester	C/- Wm. Haughton & Co. Pty. Ltd., 545 Little Collins St., Melbourne, C.1, Vic.

30

4. I/We will comply with the following conditions, viz. :—

(i) A Condition that a person so authorised shall as regards payment for wool purchased be liable in accordance with the conditions set out in the Authorisation issued by the Central Wool Committee.

(ii) A condition that a person so authorised shall not employ any servant, agent or other representative for the purpose of purchasing wool on his behalf who has not first been approved by the Central Wool Committee by a certificate under the hand of the Secretary.

40

(iii) A condition that no wool obtained in pursuance of the authorisation hereby applied for will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of Manufacture by the said Australian Woollen Mills Pty. Ltd.

Exhibits.
 2.
 Application for an
 Authorisation to
 Purchase
 Wool,
 13th
 October
 1941,
continued.

(iv) A condition that a person so authorised shall in the preparation of his invoices upon the sale of goods manufactured under the authorisation hereby applied for comply with the directions of the Central Wool Committee and with the provisions of regulation 7A of the National Security (Price of Wool for Manufacture for Export) Regulations as amended which require that if any wool tops or yarn or worsted woollen or knitted goods or any other goods made wholly or partly from wool purchased under sub-regulation 1 of regulation 23 of the National Security (Wool) Regulations are sold, and any part of the price payable for such wool so purchased under that sub-regulation by the manufacturer has been postponed or treated as a deferred or contingent liability under regulation 7 of the National Security (Price of Wool for Manufacture for Export) Regulations and has not been paid, the seller of the wool tops or yarn or worsted woollen or knitted goods or other goods shall place upon the invoice the following statement, which shall be a term or condition of the sale, viz. :—

“ That part of the price payable to the Central Wool Committee for the wool contained in the goods which is deferred and may be remitted by the Central Wool Committee if the goods are distributed for home consumption has not been paid by or on behalf of the manufacturer who obtained the wool from the Central Wool Committee and it is a term of this sale that if the buyer or any person subsequently acquiring the goods exports the goods from Australia, whether in their present or any other state, he must make the deferred payment to the Central Wool Committee in discharge of the manufacturer’s liability. ”

(v) A condition that no wool may be purchased under the authorisation hereby applied for which the Central Wool Committee has not made available for the purpose.

(vi) A condition that the property in any wool purchased under the authorisation hereby applied for shall not pass to the purchaser until payment by or on behalf of such purchaser of the amount representing the basic price of such wool, together with the delivery charges thereon.

(vii) A condition that the authorisation hereby applied for shall be liable to withdrawal by the Central Wool Committee.

Dated this 13th day of October, 1941.

(Sgd.) HAROLD LONGWORTH,
 Woollen Manufacturer. 40
 Managing Director.

Witness.

AUTHORISATION to purchase wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 20th October, 1941.

Exhibits.

2.

Authorisation No. 25.

Authorisation to Purchase Wool, 20th October 1941.

COMMONWEALTH OF AUSTRALIA

CENTRAL WOOL COMMITTEE

SEASON 1941-1942

Pursuant to the provisions of the National Security (Wool) Regulations and the National Security (Price of Wool for Manufacture for Export) Regulations THE AUSTRALIAN WOOLLEN MILLS PROPRIETARY LIMITED, MARRICKVILLE, N.S.W., is authorised by the Central Wool Committee, subject to the conditions stated hereunder, to purchase wool for the purpose of Woollen Manufacture.

The Conditions which have been imposed upon this Authorisation by the Central Wool Committee are :—

1. For all wool purchased under this Authorisation the said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD. shall be liable to pay the Central Wool Committee a price consisting of an amount representing the basic price fixed by the Central Wool Committee increased by 27% of the appraised price.

20 The basic price fixed by the Central Wool Committee for shorn wool for the Season 1941-1942 is appraised price plus 15%.

The basic price fixed by the Central Wool Committee for fell-mongered wool for the Season 1941-1942 is the appraised price plus such percentage (not being less than 7½% nor more than 15%) as the Central Wool Committee from time to time determines.

The amount representing the basic price shall be paid together with delivery charges within fourteen days after purchase of the wool.

30 Payment of the remaining part of the price shall be deferred, but shall be made if and when demanded by the Central Wool Committee, which may remit such part upon proof to its satisfaction that the wool has been used in the manufacture of goods distributed for consumption within Australia.

2. The said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD. shall not employ any servant, agent or other representative for the purpose of purchasing wool on his/their behalf who has not first been approved by the Central Wool Committee by certificate under the hand of the Secretary.

3. No wool obtained in pursuance of this Authorisation will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of manufacture by the said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.

40 4. The said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD., shall in the preparation of his invoices upon the sale of goods manufactured under this Authorisation comply with the directions of the Central Wool Committee and with the provisions of regulation 7A of the National Security (Price of Wool for Manufacture for Export) Regulations as amended which require

Exhibits.
—
2.
Authorisa-
tion to
Purchase
Wool,
20th
October
1941,
continued.

that if any wool tops or yarn or worsted woollen or knitted goods or any other goods shall place upon the invoice the following statement, which shall be a term or condition of the sale viz.:—

“ That part of the price payable to the Central Wool Committee for the wool contained in the goods which is deferred and may be remitted by the Central Wool Committee if the goods are distributed for home consumption has not been paid by or on behalf of the manufacturer who obtained the wool from the Central Wool Committee and it is a term of this sale that if the buyer or any person subsequently acquiring the goods exports the goods from 10 Australia, whether in their present or any other state, he must make the deferred payment to the Central Wool Committee in discharge of the manufacturer’s liability.”

5. No wool may be purchased under this Authorisation which the Central Wool Committee has not made available for the purpose.

6. The property in any wool purchased under this Authorisation shall not pass to the purchaser until payment by or on behalf of such purchaser of the amount representing the basic price of such wool, together with the delivery charges thereon.

7. This Authorisation is liable to withdrawal by the Central Wool 20 Committee.

Dated this 20th day of October, 1941.

(Sgd.) H. B. LEIGH,
Secretary.

Applica-
tion for an
Authorisa-
tion to
Purchase
Wool,
1st
December
1942.

APPLICATION for an authorisation to purchase wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 1st December, 1942.

SEASON 1942–1943

To the Central Wool Committee,
540 Little Collins Street,
Melbourne.

30

1. We THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED, being desirous of obtaining wool pursuant to the National Security (Wool) Regulations and the National Security (Price of Wool for Manufacture for Export) Regulations for the purposes of Manufacture for Export from Australia and of Manufacture for Consumption within Australia hereby apply to the Central Wool Committee for authority to purchase wool for such purposes and we undertake faithfully to perform the conditions which the Central Wool Committee may think fit to impose upon granting such authority and in particular the conditions stated hereunder in paragraph 4 40 of this application.

2. We carry on operations as Manufacturer of WORSTED CLOTHS at MARRICKVILLE in the State of NEW SOUTH WALES.

Exhibits.

2.

3. We propose to employ or authorise the persons whose names and addresses follow to select or purchase wool on our behalf pursuant to the authority hereby applied for and we desire that they should be approved for that purpose by the Central Wool Committee.

Application for an Authorisation to Purchase Wool,
1st December 1942,
continued.

	<i>Name</i>	<i>Address</i>
	John Hastings Lester	C/- Wm. Haughton & Co. Pty. Ltd., 545 Little Collins St., Melbourne.
10	Richard C. Longworth	52 Lang Road, Centennial Park, Sydney.
	Richard Thomas Longworth	" " " " "
	James Inglis	C/- Wm. Haughton & Co. Pty. Ltd., 255A George St., Sydney.

4. We will comply with the following conditions, viz. :—

(I) A condition that a person so authorised shall as regards payment for wool purchased be liable in accordance with the conditions set out in the Authorisation issued by the Central Wool Committee.

20 (II) A condition that a person so authorised shall not employ any servant, agent or other representative for the purpose of purchasing wool on his behalf who has not first been approved by the Central Wool Committee by a certificate under the hand of the Secretary.

(III) A condition that no wool obtained in pursuance of the authorisation hereby applied for will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of Manufacture by the said THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.

30 (IV) A condition that a person so authorised shall in the preparation of his invoices upon the sale of goods manufactured under the authorisation hereby applied for comply with the directions of the Central Wool Committee and with the provisions of regulation 7A of the National Security (Price of Wool for Manufacture for Export) Regulations as amended which require that if any wool tops or yarn or worsted woollen or knitted goods or any other goods made wholly or partly from wool purchased under sub-regulation 1 of regulation 23 of the National Security (Wool) Regulations are sold, and any part of the price payable for such wool so purchased under that sub-regulation by the manufacturer has been postponed or treated as a deferred or contingent liability under regulation 7 of the National Security (Price of Wool for Manufacture for Export) Regulations and has not been paid, the seller of the wool tops or yarn or worsted woollen or knitted goods or other goods shall place upon the invoice the following statement, which shall be a term or condition of the sale, viz. :—

40 " That part of the price payable to the Central Wool Committee for the wool contained in the goods which is deferred

Exhibits.

2.
Applica-
tion for an
Authorisa-
tion to
Purchase
Wool,
1st
December
1942.
continued.

and may be remitted by the Central Wool Committee if the goods are distributed for home consumption has not been paid by or on behalf of the manufacturer who obtained the wool from the Central Wool Committee and it is a term of this sale that if the buyer or any person subsequently acquiring the goods exports the goods from Australia, whether in their present or any other state, he must make the deferred payment to the Central Wool Committee in discharge of the manufacturer's liability."

(v) A condition that no wool may be purchased under the authorisation hereby applied for which the Central Wool Committee 10 has not made available for the purpose.

(vi) All Wool purchased under the Authorisation hereby applied for shall be removed from Wool Selling Brokers' premises not later than 21 days from the date of purchase unless an extension of time beyond 21 days has been applied for and granted by the Central Wool Committee.

(vii) A condition that the property in any wool purchased under the authorisation hereby applied for shall not pass to the purchaser until payment by or on behalf of such purchaser of the amount representing the basic price of such wool, together with the 20 delivery charges thereon.

(viii) A condition that the authorisation hereby applied for shall be liable to withdrawal by the Central Wool Committee.

Dated this first day of December, 1942.

(Sgd.) J. W. L. CRANE,
Secretary,
Woollen Manufacturer.

Witness.

Authorisa-
tion to
Purchase
Wool,
4th
December
1942.

AUTHORISATION to purchase wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 4th December, 1942. 30

Authorisation No. 43.

COMMONWEALTH OF AUSTRALIA

CENTRAL WOOL COMMITTEE

SEASON 1942-1943

Pursuant to the provisions of the National Security (Wool) Regulations and the National Security (Price of Wool for Manufacture for Export) Regulations THE AUSTRALIAN WOOLLEN MILLS PTY. LTD. Marrickville, New South Wales is authorised by the Central Wool Committee, subject to the conditions stated hereunder, to purchase wool for the purpose of Woollen Manufacture. 40

The Conditions which have been imposed upon this Authorisation by the Central Wool Committee are :—

Exhibits.

2.

Authorisation to Purchase Wool, 4th December 1942, *continued.*

1. For all wool purchased under this Authorisation the said THE AUSTRALIAN WOOLLEN MILLS PTY LTD. shall be liable to pay the Central Wool Committee price consisting of an amount representing the basic price fixed by the Central Wool Committee increased by 25 per cent. of the appraised price.

The basic price fixed by the Central Wool Committee for shorn wool for the Season 1942–1943 is appraised price plus 10 per cent.

10 The basic price fixed by the Central Wool Committee for fellmongered wool for the Season 1942–1943 is the appraised price plus 5 per cent.

The amount representing the basic price shall be paid together with delivery charges within fourteen days after purchase of the wool.

Payment of the remaining part of the price shall be deferred, but shall be made if and when demanded by the Central Wool Committee, which may remit such part upon proof to its satisfaction that the wool has been used in the manufacture of goods distributed for consumption within Australia.

2. The said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD. shall not employ any servant, agent or other representative for the purpose of purchasing wool on his/their behalf who has not first been approved by the Central Wool Committee by certificate under the hand of the Secretary.

3. No wool obtained in pursuance of this Authorisation will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of manufacture by the said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.

4. The said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD. shall in the preparation of his invoices upon the sale of goods manufactured under this Authorisation comply with the directions of the Central Wool Committee and with the provisions of regulation 7A of the National Security (Price of Wool for Manufacture for Export) Regulations as amended which require that if any wool tops or yarn or worsted woollen or knitted goods or any other goods made wholly or partly from wool purchased under sub-regulation 1 of regulation 23 of the National Security (Wool) Regulations are sold and any part of the price payable for such wool so purchased under that sub-regulation by the manufacturer has been postponed or treated as a deferred or contingent liability under regulation 7 of the National Security (Price of Wool for Manufacture for Export) Regulations and has not been paid, the seller of the wool tops or yarn or worsted woollen or knitted goods or other goods shall place upon the invoice the following statement, which shall be a term or condition of the sale, viz. :—

“ That part of the price payable to the Central Wool Committee for the wool contained in the goods which is deferred and may be remitted by the Central Wool Committee if the goods are distributed for home consumption has not been paid by or on behalf of the manufacturer who obtained the wool from the Central Wool

Exhibits.
 2.
 Authorisation to
 Purchase
 Wool,
 4th
 December
 1942,
continued.

Committee and it is a term of this sale that if the buyer or any person subsequently acquiring the goods exports the goods from Australia, whether in their present or any other state, he must make the deferred payment to the Central Wool Committee in discharge of the manufacturer's liability."

5. No wool may be purchased under this Authorisation which the Central Wool Committee has not made available for the purpose.

6. All Wool purchased under this Authorisation shall be removed from Wool Selling Brokers' premises not later than 21 days from date of purchase unless an extension of time beyond 21 days has been applied for and granted by the Central Wool Committee.

7. The property in any wool purchased under this Authorisation shall not pass to the purchaser until payment by or on behalf of such purchaser of the amount representing the basic price of such wool, together with the delivery charges thereon.

8. This Authorisation is liable to withdrawal by the Central Wool Committee.

Dated this 4th day of December, 1942.

(Sgd.) H. B. LEIGH,
Secretary. 20

Applica-
 tion for an
 Authorisa-
 tion to
 Purchase
 Wool for
 the purpose
 of manu-
 facture for
 export
 from
 Australia
 and of
 manu-
 facture for
 con-
 sumption
 within
 Australia,
 3rd
 September
 1943.

APPLICATION for an authorisation to purchase wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 3rd September, 1943.

SEASON 1943-1944.

To the Central Committee,
 540 Little Collins Street,
 Melbourne.

1. I/WE THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED being desirous of obtaining wool pursuant to the National Security (Wool) Regulations and the National Security (Price of Wool for Manufacture for Export) Regulations for the purposes of Manufacture for Export from Australia and of Manufacture for Consumption within Australia hereby apply to the Central Wool Committee for authority to purchase wool for such purposes and I/we undertake faithfully to perform the conditions which the Central Wool Committee may think fit to impose upon granting such authority and in particular the conditions stated hereunder in paragraph 4 of this application. 30

2. I/WE carry on operations as Manufacturer of WORSTED CLOTHS at MARRICKVILLE, in the State of NEW SOUTH WALES.

3. I/WE propose to employ or authorise the persons whose names and addresses follow to select or purchase wool on my/our behalf pursuant to the authority hereby applied for and I/we desire that they should be approved for that purpose by the Central Wool Committee.

<i>Name</i>	<i>Address</i>
J. H. Lester	C/- Wm. Haughton & Co. Pty. Ltd., 545 Little Collins Street, Melbourne.
L. Horsley	C/- Wm. Haughton & Co. Pty. Ltd., 545 Little Collins Street, Melbourne.
10 Richard C. Longworth ..	52 Lang Road, Centennial Park, Sydney.
Richard T. Longworth, Jnr.	52 Lang Road, Centennial Park, Sydney.
James Inglis	C/- Wm. Haughton & Co. Pty. Ltd., 255A George Street, Sydney.

4. I/WE will comply with the following conditions, viz. :—

(i) A condition that a person so authorised shall as regards payment for wool purchased be liable in accordance with the conditions set out in the Authorisation issued by the Central Wool Committee.

20 (ii) A condition that a person so authorised shall not employ any servant, agent or other representative for the purpose of purchasing wool on his behalf who has not first been approved by the Central Wool Committee by a certificate under the hand of the Secretary.

(iii) A condition that no wool obtained in pursuance of the authorisation hereby applied for will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of Manufacture by the said AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.

30 (iv) A condition that a person so authorised shall in the preparation of his invoices upon the sale of goods manufactured under the authorisation hereby applied for comply with the directions of the Central Wool Committee and with the provisions of regulation 7A of the National Security (Price of Wool for Manufacture for Export) Regulations as amended which require that if any wool tops or yarn or worsted woollen or knitted goods or any other goods made wholly or partly from wool purchased under sub-regulation 1 of regulation 23 of the National Security (Wool) Regulations are sold, and any part of the price payable for such wool so purchased under that sub-regulation by the manufacturer has been postponed or treated as a deferred or contingent liability under regulation 7 of the National Security (Price of Wool for Manufacture for Export) Regulations and has not been paid, the seller of the wool tops or yarn or worsted woollen or knitted goods or other goods shall place upon the invoice the following statement, which shall be a term or condition of the sale, viz. :—

“ That part of the price payable to the Central Wool Committee for the wool contained in the goods which is deferred

Exhibits.

2.
Applica-
tion for an
Authorisa-
tion to
Purchase
Wool for
the purpose
of manu-
facture for
export
from
Australia
and of
manu-
facture for
con-
sumption
within
Australia,
3rd
September
1943,
continued.

Exhibits.

2.
 Applica-
 tion for an
 Authorisa-
 tion to
 Purchase
 Wool for
 the purpose
 of manu-
 facture for
 export
 from
 Australia
 and of
 manu-
 facture for
 con-
 sumption
 within
 Australia,
 3rd
 September
 1943,
continued.

and may be remitted by the Central Wool Committee if the goods are distributed for home consumption has not been paid by or on behalf of the manufacturer who obtained the wool from the Central Wool Committee and it is a term of this sale that if the buyer or any person subsequently acquiring the goods exports the goods from Australia, whether in their present or any other state, he must make the deferred payment to the Central Wool Committee in discharge of the manufacturer's liability."

(v) A condition that no wool may be purchased under the authorisation hereby applied for which the Central Wool Committee 10 has not made available for the purpose.

(vi) All Wool purchased under the Authorisation hereby applied for shall be removed from Wool Selling Brokers' premises not later than 21 days from date of purchase unless an extension of time beyond 21 days has been applied for and granted by the Central Wool Committee.

(vii) A condition that the property in any wool purchased under the authorisation hereby applied for shall not pass to the purchaser until payment by or on behalf of such purchaser of the amount representing the basic price of such wool, together with the delivery 20 charges thereon.

(viii) A condition that the authorisation hereby applied for shall be liable to withdrawal by the Central Wool Committee.

Dated this Third day of September, 1953.

(Sgd.) J. W. L. CRANE,
Secretary,
 Woollen Manufacturer.

Witness.

Authorisa-
 tion to
 Purchase
 Wool,
 6th
 September
 1943.

**AUTHORISATION to purchase wool for the purpose of manufacture for export from
 Australia and of manufacture for consumption within Australia, 6th September, 1943. 30**

Authorisation No. 32.

COMMONWEALTH OF AUSTRALIA.

CENTRAL WOOL COMMITTEE.

SEASON 1943-1944.

Pursuant to the provisions of the National Security (Wool) Regulations and the National Security (Price of Wool for Manufacture for Export) Regulations THE AUSTRALIAN WOOLLEN MILLS PTY. LTD., Marrickville, N.S.W. is authorised by the Central Wool Committee, subject to the conditions stated hereunder, to purchase wool for the purpose of Woollen Manufacture.

The Conditions which have been imposed upon this Authorisation by the Central Wool Committee are :—

Exhibits

2.

Authorisation to Purchase Wool, 6th September 1943, continued.

1. For all wool purchased under this authorisation the said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD. shall be liable to pay the Central Wool Committee a price consisting of an amount representing the basic price fixed by the Central Wool Committee increased by 25% of the appraised price.

The basic price fixed by the Central Wool Committee for shorn wool for the Season 1943–1944 is appraised price plus 10%.

10 The basic price fixed by the Central Wool Committee for fellmongered wool for the Season 1943–1944 is the appraised price plus 5%.

The amount representing the basic price shall be paid together with delivery charges within fourteen days after purchase of the wool.

Payment of the remaining part of the price shall be deferred, but shall be made if and when demanded by the Central Wool Committee, which may remit such part upon proof to its satisfaction that the wool has been used in the manufacture of goods distributed for consumption within Australia.

20 2. The said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD. shall not employ any servant, agent or other representative for the purpose of purchasing wool on his/their behalf who has not first been approved by the Central Wool Committee by certificate under the hand of the Secretary.

3. No wool obtained in pursuance of this Authorisation, will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of manufacture by the said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.

30 4. The said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD. shall in the preparation of his invoices upon the sale of goods manufactured under this Authorisation comply with the directions of the Central Wool Committee and with the provisions of regulation 7A of the National Security (Price of Wool for Manufacture for Export) Regulations as amended which require that if any wool tops or yarn or worsted woollen or knitted goods or any other goods made wholly or partly from wool purchased under sub-regulation 1 of regulation 23 of the National Security (Wool) Regulations are sold, and any part of the price payable for such wool so purchased under that sub-regulation by the manufacturer has been postponed or treated as a deferred or contingent liability under regulation 7 of the National Security (Price of Wool for Manufacture for Export) Regulations and has not been paid, the seller of the wool tops or yarn or worsted woollen
40 or knitted goods or other goods shall place upon the invoice the following statement, which shall be a term or condition of the sale, viz. :—

“ That part of the price payable to the Central Wool Committee for the wool contained in the goods which is deferred and may be remitted by the Central Wool Committee if the goods are distributed for home consumption has not been paid by or on behalf of the manufacturer who obtained the wool from the Central Wool

Exhibits.
 2.
 Authorisation to
 Purchase
 Wool,
 6th
 September
 1943,
continued.

Committee and it is a term of this sale that if the buyer or any person subsequently acquiring the goods exports the goods from Australia, whether in their present or any other state, he must make the deferred payment to the Central Wool Committee in discharge of the manufacturer's liability."

5. No wool may be purchased under this Authorisation which the Central Wool Committee has not made available for the purpose.

6. All Wool purchased under this Authorisation shall be removed from Wool Selling Brokers' premises not later than 21 days from date of purchase unless an extension of time beyond 21 days has been applied for 10 and granted by the Central Wool Committee.

7. The property in any wool purchased under this Authorisation shall not pass to the purchaser until payment by or on behalf of such purchaser of the amount representing the basic price of such wool, together with the delivery charges thereon.

8. This Authorisation is liable to withdrawal by the Central Wool Committee.

Dated this 6th day of September, 1943.

(Sgd.) H. B. LEIGH,
 Secretary. 20

Applica-
 tion for an
 Authorisa-
 tion to
 Purchase
 Wool for
 the purpose
 of manu-
 facture for
 export
 from
 Australia
 and of
 manu-
 facture for
 con-
 sumption
 within
 Australia,
 2nd May
 1944.

APPLICATION for an authorisation to purchase wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 2nd May, 1944.

To the Central Wool Committee,
 540 Little Collins Street,
 Melbourne.

1. We THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED being desirous of obtaining wool pursuant to the National Security (Wool) Regulations and the National Security (Price of Wool for Manufacture for Export) Regulations for the purposes of Manufacture for Export from 30 Australia and of Manufacture for Consumption within Australia hereby apply to the Central Wool Committee for authority to purchase wool for such purposes and I/we undertake faithfully to perform the conditions which the Central Wool Committee may think fit to impose upon granting such authority and in particular the conditions stated hereunder in paragraph 4 of this application.

2. We carry on operations as Manufacturer of WORSTED CLOTHS at MARRICKVILLE, in the State of NEW SOUTH WALES.

Exhibits.

2.

Application for an Authorisation to Purchase Wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 2nd May 1944, *continued.*

3. I/We propose to employ or authorise the persons whose names and addresses follow to select or purchase wool on my/our behalf pursuant to the authority hereby applied for and I/we desire that they should be approved for that purpose by the Central Wool Committee.

	<i>Name</i>	<i>Address</i>
	J. H. Lester	C/- Wm. Haughton & Co. Pty. Ltd., 545 Little Collins St., Melbourne.
10	L. Horsley	C/- Wm. Haughton & Co. Pty. Ltd., 545 Little Collins St., Melbourne.
	Richard C. Longworth	52 Lang Road, Centennial Park, Sydney.
	Richard T. Longworth, Jnr.	52 Lang Road, Centennial Park, Sydney.
	James Inglis	C/- Wm. Haughton & Co. Pty. Ltd., 255A George Street, Sydney.

4. I/We will comply with the following conditions, viz. :—

20 (i) A condition that a person so authorised shall as regards payment for wool purchased be liable in accordance with the conditions set out in the Authorisation issued by the Central Wool Committee.

(ii) A condition that a person so authorised shall not employ any servant agent or other representative for the purpose of purchasing wool on his behalf who has not first been approved by the Central Wool Committee by a certificate under the hand of the Secretary.

30 (iii) A condition that no wool obtained in pursuance of the authorisation hereby applied for will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of Manufacture by the said AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.

40 (iv) A condition that a person so authorised shall in the preparation of his invoices upon the sale of goods manufactured under the authorisation hereby applied for comply with the directions of the Central Wool Committee and with the provisions of regulation 7A of the National Security (Price of Wool for Manufacture for Export) Regulations as amended which require that if any wool tops or yarn or worsted woollen or knitted goods or any other goods made wholly or partly from wool purchased under sub-regulation 1 of regulation 23 of the National Security (Wool) Regulations are sold, and any part of the price payable for such wool so purchased under that sub-regulation by the manufacturer

Exhibits.

2.
Applica-
tion for an
Authorisa-
tion to
Purchase
Wool for
the purpose
of manu-
facture for
export
from
Australia
and of
manu-
facture for
con-
sumption
within
Australia,
2nd May
1944,
continued.

has been postponed or treated as a deferred or contingent liability under regulation 7 of the National Security (Price of Wool for Manufacture for Export) Regulations and has not been paid, the seller of the wool tops or yarn or worsted woollen or knitted goods or other goods shall place upon the invoice the following statement, which shall be a term or condition of the sale, viz. :—

“ That part of the price payable to the Central Wool Committee for the wool contained in the goods which is deferred and may be remitted by the Central Wool Committee if the goods are distributed for home consumption has not been paid by or on behalf of the manufacturer who obtained the wool from the Central Wool Committee and it is a term of this sale that if the buyer or any person subsequently acquiring the goods exports the goods from Australia, whether in their present or any other state, he must make the deferred payment to the Central Wool Committee in discharge of the manufacturer’s liability.” 10

(v) A condition that no wool may be purchased under the authorisation hereby applied for which the Central Wool Committee has not made available for the purpose.

(vi) All Wool purchased under the Authorisation hereby applied for shall be removed from Wool Selling Brokers’ premises not later than 21 days from date of purchase unless an extension of time beyond 21 days has been applied for and granted by the Central Wool Committee. 20

(vii) A condition that the property in any wool purchased under the authorisation hereby applied for shall not pass to the purchaser until payment by or on behalf of such purchaser of the amount representing the basic price of such wool, together with the delivery charges thereon.

(viii) A condition that the authorisation hereby applied for shall be liable to withdrawal by the Central Wool Committee. 30

Dated the Second day of May, 1944.

(Sgd.) J. W. L. CRANE,
Secretary,
Woollen Manufacturer.

Witness.

AUTHORISATION to purchase wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 4th May, 1944.

Exhibits.

—
2.

Authorisation No. 30.

Authorisation to Purchase Wool, 4th May 1944.

COMMONWEALTH OF AUSTRALIA.

CENTRAL WOOL COMMITTEE.

Pursuant to the provisions of the National Security (Wool) Regulations and the National Security (Price of Wool for Manufacture for Export) Regulations **THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED**, Marrickville, N.S.W. is authorised by the Central Wool Committee, subject to the
10 conditions stated hereunder, to purchase wool for the purpose of Woollen Manufacture.

The Conditions which have been imposed upon this Authorisation by the Central Wool Committee are :—

1. For all wool purchased under this Authorisation the said **THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED** shall be liable to pay the Central Wool Committee a price consisting of an amount representing the basic price fixed by the Central Wool Committee increased by $27\frac{1}{2}\%$ of the appraised price.

The basic price fixed by the Central Wool Committee for shorn wool
20 for the period 1/5/1944 to 30/6/1945 is appraised price plus 10%.

The basic price fixed by the Central Wool Committee for skin wool for the period 1/5/1944 to 30/6/1945 is appraised price plus 5%.

The amount representing the basic price shall be paid together with delivery charges within fourteen days after purchase of the wool.

Payment of the remaining part of the price shall be deferred, but shall be made if and when demanded by the Central Wool Committee, which may remit such part upon proof to its satisfaction that the wool has been used in the manufacture of goods distributed for consumption within Australia.

30 2. The said **THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.** shall not employ any servant, agent or other representative for the purpose of purchasing wool on his/their behalf who has not first been approved by the Central Wool Committee by certificate under the hand of the Secretary.

3. No wool obtained in pursuance of this Authorisation will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of manufacture by the said **THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.**

40 4. The said **THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.** shall in the preparation of his invoices upon the sale of goods manufactured under this Authorisation comply with the directions of the Central Wool Committee and with the provisions of regulation 7A of the National Security (Price of Wool for Manufacture for Export) Regulations as amended which

Exhibits.
 2.
 Authorisation to
 Purchase
 Wool,
 4th May
 1944,
continued.

require that if any wool tops or yarn or worsted woollen or knitted goods or any other goods made wholly or partly from wool purchased under sub-regulation 1 of regulation 23 of the National Security (Wool) Regulations are sold, and any part of the price payable for such wool so purchased under that sub-regulation by the manufacturer has been postponed or treated as a deferred or contingent liability under regulation 7 of the National Security (Price of Wool for Manufacture for Export) Regulations and has not been paid, the seller of the wool tops or yarn or worsted woollen or knitted goods shall place upon the invoice the following statement, which shall be a term or condition of the sale, viz. :—

10

“ That part of the price payable to the Central Wool Committee for the wool contained in the goods which is deferred and may be remitted by the Central Wool Committee if the goods are distributed for home consumption has not been paid by or on behalf of the manufacturer who obtained the wool from the Central Wool Committee and it is a term of this sale that if the buyer or any person subsequently acquiring the goods exports the goods from Australia, whether in their present or any other state, he must make the deferred payment to the Central Wool Committee in discharge of the manufacturer’s liability.”

20

5. No wool may be purchased under this Authorisation which the Central Wool Committee has not made available for the purpose.

6. All Wool purchased under this Authorisation shall be removed from Wool Selling Brokers’ premises not later than 21 days from date of purchase unless an extension of time beyond 21 days has been applied for and granted by the Central Wool Committee.

7. The property in any wool purchased under this Authorisation shall not pass to the purchaser until payment by or on behalf of such purchaser of the amount representing the basic price of such wool, together with the delivery charges thereon.

30

8. This Authorisation is liable to withdrawal by the Central Wool Committee.

Dated this 4th day of May, 1944.

(Sgd.) H. B. LEIGH,
 Secretary.

APPLICATION for an authorisation to purchase wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 31st July, 1945.

Exhibits.

To the Central Wool Committee,
540 Little Collins Street,
Melbourne.

2.
Applica-
tion for an
Authorisa-
tion to
Purchase
Wool for
the purpose
of manu-
facture for
export
from
Australia
and of
manu-
facture for
con-
sumption
within
Australia,
31st July
1945.

1. We THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED being desirous of obtaining wool pursuant to the National Security (Wool) Regulations and the National Security (Price of Wool for Manufacture
10 for Export from Australia and of Manufacture for Consumption within Australia) hereby apply to the Central Wool Committee for authority to purchase wool for such purposes and we undertake faithfully to perform the conditions which the Central Wool Committee may think fit to impose upon granting such authority and in particular the conditions stated hereunder in paragraph 4 of this application.

2. I/We carry on operations as Manufacturer of WORSTED MATERIALS at SYDENHAM ROAD, MARRICKVILLE in the State of NEW SOUTH WALES.

3. I/We propose to employ or authorise the persons whose names and addresses follow to select or purchase wool on my/our behalf pursuant
20 to the authority hereby applied for and I/we desire that they should be approved for that purpose by the Central Wool Committee.

<i>Name</i>	<i>Address</i>
Richard C. Longworth	52 Lang Road, Centennial Park.
Richard To. Longworth (Jnr.)	52 Lang Road, Centennial Park.
J. Inglis	C/- Wm. Haughton & Co. Pty. Ltd., Sydney.
J. H. Lester	C/- Wm. Haughton & Co. Pty. Ltd., Melbourne.

4. I/We will comply with the following conditions, viz. :—

30 (i) A condition that a person so authorised shall as regards payment for wool purchased be liable in accordance with the conditions set out in the Authorisation issued by the Central Wool Committee.

(ii) A condition that a person so authorised shall not employ any servant, agent or other representative for the purpose of purchasing wool on his behalf who has not first been approved by the Central Wool Committee by a certificate under the hand of the Secretary.

40 (iii) A condition that no wool obtained in pursuance of the authorisation hereby applied for will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of Manufacture by the said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.

(iv) A condition that a person so authorised shall in the preparation of his invoices upon the sale of goods manufactured

Exhibits.

2.
Applica-
tion for an
Authorisa-
tion to
Purchase
Wool for
the purpose
of manu-
facture for
export
from
Australia
and of
manu-
facture for
con-
sumption
within
Australia,
31st July
1945,
continued.

under the authorisation hereby applied for comply with the directions of the Central Wool Committee and with the provisions of regulation 7A of the National Security (Price of Wool for Manufacture for Export) Regulations as amended which require that if any wool tops or yarn or worsted woollen or knitted goods or any other goods made wholly or partly from wool purchased under sub-regulation 1 of regulation 23 of the National Security (Wool) Regulations are sold, and any part of the price payable for such wool so purchased under that sub-regulation by the manufacturer has been postponed or treated as a deferred or contingent liability under regulation 7 of the National Security (Price of Wool for Manufacture for Export) Regulations and has not been paid, the seller of the wool tops or yarn or worsted woollen or knitted goods or other goods shall place upon the invoice the following statement, which shall be a term or condition of the sale, viz. :—

“ That part of the price payable to the Central Wool Committee for the wool contained in the goods which is deferred and may be remitted by the Central Wool Committee if the goods are distributed for home consumption has not been paid by or on behalf of the Manufacturer who obtained the wool from the Central Wool Committee and it is a term of this sale that if the buyer or any person subsequently acquiring the goods exports the goods from Australia, whether in their present or any other state, he must make the deferred payment to the Central Wool Committee in discharge of the manufacturer’s liability.

(v) A condition that no wool may be purchased under the authorisation hereby applied for which the Central Wool Committee has not made available for the purpose.

(vi) All Wool purchased under the Authorisation hereby applied for shall be removed from Wool Selling Brokers’ premises not later than 21 days from date of purchase unless an extension of time beyond 21 days has been applied for and granted by the Central Wool Committee.

(vii) A condition that the property in any wool purchased under the authorisation hereby applied for shall not pass to the purchaser until payment by or on behalf of such purchaser of the amount representing the basic price of such wool, together with the delivery charges thereon.

(viii) A condition that the authorisation hereby applied for shall be liable to withdrawal by the Central Wool Committee.

Dated this 31st day of July, 1945.

(Sgd.) J. W. L. CRANE,
Secretary.
Woollen Manufacturer.

Witness.

AUTHORISATION to purchase wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 2nd August, 1945.

Exhibits.

— —

2.

Authorisation No. 22.

Authorisation to Purchase Wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 2nd August 1945.

COMMONWEALTH OF AUSTRALIA

CENTRAL WOOL COMMITTEE

SEASON 1945-1946

Pursuant to the provisions of the National Security (Wool) Regulations and the National Security (Price of Wool for Manufacture for Export) Regulations **THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.** Sydenham Road, 10 Marrickville is authorised by the Central Wool Committee, subject to the conditions stated hereunder, to purchase wool for the purpose of Woollen Manufacture.

The Conditions which have been imposed upon this Authorisation by the Central Wool Committee are :—

1. For all wool purchased under this Authorisation the said **THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.** shall be liable to pay the Central Wool Committee a price consisting of an amount representing the basic price fixed by the Central Wool Committee increased by $27\frac{1}{2}$ per cent. of the appraised price.

20 The basic price fixed by the Central Wool Committee for shorn wool for the Season 1945-1946 is appraised price plus 10 per cent.

The basic price fixed by the Central Wool Committee for skin wool for the Season 1945-1946 is the appraised price plus 5 per cent.

The amount representing the basic price shall be paid together with delivery charges within fourteen days after purchase of the wool.

30 Payment of the remaining part of the price shall be deferred, but shall be made if and when demanded by the Central Wool Committee, which may remit such part upon proof to its satisfaction that the wool has been used in the manufacture of goods distributed for consumption within Australia.

2. The said **THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.** shall not employ any servant, agent or other representative for the purpose of purchasing wool on his/their behalf who has not first been approved by the Central Wool Committee by certificate under the hand of the Secretary.

3. No Wool obtained in pursuance of this Authorisation will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of manufacture by the said **THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.**

40 The said **THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.** shall in the preparation of his invoices upon the sale of goods manufactured under this Authorisation comply with the directions of the Central Wool Committee

Exhibits.
 —
 2.
 Authorisation to Purchase Wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 2nd August 1945, *continued.*

and with the provisions of regulation 7A of the National Security (Price of Wool for Manufacture for Export) Regulations as amended which require that if any wool tops or yarn or worsted woollen or knitted goods or any other goods made wholly or partly from wool purchased under sub-regulation 1 of regulation 23 of the National Security (Wool) Regulations are sold, and any part of the price payable for such wool so purchased under that sub-regulation by the manufacturer has been postponed or treated as a deferred or contingent liability under regulation 7 of the National Security (Price of Wool for Manufacture for Export) Regulations and has not been paid, the seller of the wool tops or yarn or worsted woollen or knitted goods or other goods shall place upon the invoice the following statement, which shall be a term or condition of the sale, viz. :—

“ That part of the price payable to the Central Wool Committee for the wool contained in the goods which is deferred and may be remitted by the Central Wool Committee if the goods are distributed for home consumption has not been paid by or on behalf of the manufacturer who obtained the wool from the Central Wool Committee and it is a term of this sale that if the buyer or any person subsequently acquiring the goods exports the goods from Australia, whether in their present or any other state, he must make the deferred payment to the Central Wool Committee in discharge of the manufacturer’s liability.”

5. No wool may be purchased under this Authorisation which the Central Wool Committee has not made available for the purpose.

6. All Wool purchased under this Authorisation shall be removed from Wool Selling Brokers’ premises not later than 21 days from date of purchase unless an extension of time beyond 21 days has been applied for and granted by the Central Wool Committee.

7. The property in any wool purchased under this Authorisation shall not pass to the purchaser until payment by or on behalf of such purchaser of the amount representing the basic price of such wool, together with the delivery charges thereon.

8. This Authorisation is liable to withdrawal by the Central Wool Committee.

Dated this 2nd day of August, 1945.

(Sgd.) H. B. LEIGH,
 Secretary.

APPLICATION for an authorisation to purchase wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 9th November, 1945.

Exhibits.

2.

Application for an Authorisation to Purchase Wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 9th November 1945.

To the Central Wool Committee,
540 Little Collins Street,
Melbourne.

1. I/We THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED being desirous of obtaining wool pursuant to the National Security (Wool) Regulations and the National Security (Price of Wool for Manufacture for Export) Regulations for the purpose of Manufacture for Export from Australia and of Manufacture for Consumption within Australia hereby apply to the Central Wool Committee for authority to purchase wool for such purposes and I/We undertake faithfully to perform the conditions which the Central Wool Committee may think fit to impose upon granting such authority and in particular the conditions stated hereunder in paragraph 4 of this application.

2. I/We carry on operations as Manufacturer of WORSTED MATERIALS at Sydenham Road, Marrickville in the State of NEW SOUTH WALES.

3. I/We propose to employ or authorise the persons whose names and addresses follow to select or purchase wool on my/our behalf pursuant to the authority hereby applied for and I/we desire that they should be approved for that purpose by the Central Wool Committee.

<i>Name</i>	<i>Address</i>
Richard C. Longworth	52 Lang Road, Centennial Park.
Richard T. Longworth (Jnr.)	” ” ” ”
J. Inglis	C/- Wm. Haughton & Co. Pty. Ltd. Sydney.
J. H. Lester	” ” ” ” ” Melbourne.

4. I/We will comply with the following conditions, viz. :—

(i) A condition that a person so authorised shall as regards payment for wool purchased be liable in accordance with the conditions set out in the Authorisation issued by the Central Wool Committee.

(ii) A condition that a person so authorised shall not employ any servant, agent or other representative for the purpose of purchasing wool on his behalf who has not first been approved by the Central Wool Committee by a certificate under the hand of the Secretary.

(iii) A condition that no wool obtained in pursuance of the authorisation hereby applied for will, without the consent of the Central Wool Committee, be dealt with, disposed of or used otherwise than for the purpose of Manufacture by the said THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.

Exhibits.

2.

Applica-
tion for an
Authorisa-
tion to
Purchase
Wool for
the purpose
of manu-
facture for
export
from
Australia
and of
manu-
facture for
con-
sumption
within
Australia,
9th
November
1945,
continued.

(iv) A condition that a person so authorised shall in the preparation of his invoices upon the sale of goods manufactured under the authorisation hereby applied for comply with the directions of the Central Wool Committee and with the provisions of regulation 7A of the National Security (Price of Wool for Manufacture for Export) Regulations as amended which require that if any wool tops or yarn or worsted woollen or knitted goods or any other goods made wholly or partly from wool purchased under sub-regulation 1 of regulation 23 of the National Security (Wool) Regulations are sold, and any part of the price payable for such 10 wool so purchased under that sub-regulation by the manufacturer has been postponed or treated as a deferred or contingent liability under regulation 7 of the National Security (Price of Wool for Manufacture for Export) Regulations and has not been paid, the seller of the wool tops or yarn or worsted woollen or knitted goods or other goods shall place upon the invoice the following statement, which shall be a term or condition of the sale, viz. :—

“ That part of the price payable to the Central Wool Committee for the wool contained in the goods which is deferred and may be remitted by the Central Wool Committee if the goods 20 are distributed for home consumption has not been paid by or on behalf of the manufacturer who obtained the wool from the Central Wool Committee and it is a term of this sale that if the buyer or any person subsequently acquiring the goods exports the goods from Australia, whether in their present or any other state, he must make the deferred payment to the Central Wool Committee in discharge of the manufacturer’s liability.”

(v) A condition that no wool may be purchased under the authorisation hereby applied for which the Central Wool Committee has not made available for the purpose. 30

(vi) All Wool purchased under the Authorisation hereby applied for shall be removed from Wool Selling Brokers’ premises not later than 21 days from date of purchase unless an extension of time beyond 21 days has been applied for and granted by the Central Wool Committee.

(vii) A condition that the property in any wool purchased under the authorisation hereby applied for shall not pass to the purchaser until payment by or on behalf of such purchaser of the amount representing the basic price of such wool, together with the delivery charges thereon. 40

(viii) A condition that the authorisation hereby applied for shall be liable to withdrawal by the Central Wool Committee.

Dated this Ninth day of November, 1945.

Witness.

AUTHORISATION to purchase wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 17th November, 1945.

Exhibits.

2.

Authorisation No. 36.

Authorisation to Purchase Wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 17th November 1945.

COMMONWEALTH OF AUSTRALIA.

AUSTRALIAN WOOL REALIZATION COMMISSION.

PERIOD 1ST NOVEMBER, 1945, TO 30TH JUNE, 1946.

Pursuant to the provisions of the Wool Realization Act, 1945, the National Security (Wool) Regulations and the National Security (Price of Wool for Manufacture for Export) Regulations THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED, Sydenham Road, Marrickville (hereinafter referred to as "the Manufacturer") is authorised by the Australian Wool Realization Commission, subject to the conditions stated hereunder, to purchase wool for the purpose of Woollen Manufacture.

The Conditions which have been imposed upon this Authorisation by the Australian Wool Realization Commission are :—

1. For all wool purchased under this Authorisation the Manufacturer shall be liable to pay the Australian Wool Realization Commission in accordance with the wool Disposal Plan as defined by the Wool Realization Act, 1945, of which the manufacturer shall pay, within 14 days after purchase of the wool, an amount equal to the appraised price of such wool plus 10% for shorn wool and the appraised price plus 5% for skin wool or the official selling price of the Australian Wool Realization Commission, whichever shall be the lesser, together with the delivery charges.

Payment of the remaining part of the price shall be deferred, but shall be made if and when demanded by the Australian Wool Realization Commission, which may remit such part upon proof to its satisfaction that the wool has been used in the manufacture of goods distributed for consumption within Australia.

2. The Manufacturer shall not employ any servant, agent or other representative for the purpose of purchasing wool on his behalf who has not first been approved by the Australian Wool Realization Commission by certificate under the hand of the Secretary.

3. No wool obtained in pursuance of this Authorisation will, without the consent of the Australian Wool Realization Commission, be dealt with, disposed of or used otherwise than for the purpose of manufacture by the Manufacturer.

4. The Manufacturer shall in the preparation of his invoices upon the sale of goods manufactured under this Authorisation comply with the directions of the Australian Wool Realization Commission and with the provisions of Regulation 7A of the National Security (Price of Wool for Manufacture for Export) Regulations as amended which require that if any

Exhibits.
 2.
 Authorisation to Purchase Wool for the purpose of manufacture for export from Australia and of manufacture for consumption within Australia, 17th November 1945, *continued.*

wool tops or yarn or worsted woollen or knitted goods or any other goods made wholly or partly from wool purchased under sub-regulation 1 of regulation 23 of the National Security (Wool) Regulations are sold, and any part of the price payable for such wool so purchased under that sub-regulation by the Manufacturer has been postponed or treated as a deferred or contingent liability under regulation 7 of the National Security (Price of Wool for Manufacture for Export) Regulations and has not been paid, the seller of the wool tops or yarn or worsted woollen or knitted goods or other goods shall place upon the invoice the following statement, which shall be a term or condition of the sale, viz. :—

10

“ That part of the price payable to the Australian Wool Realization Commission for the wool contained in the goods which is deferred and may be remitted by the Australian Wool Realization Commission if the goods are distributed for home consumption has not been paid by or on behalf of the manufacturer who obtained the wool from the Australian Wool Realization Commission and it is a term of this sale that if the buyer or any person subsequently acquiring the goods from Australia, whether in their present or any other state, he must make the deferred payment to the Australian Wool Realization Commission in discharge of the manufacturer’s liability.”

20

5. No Wool may be purchased under this Authorisation which the Australian Wool Realization Commission has not made available for the purpose.

6. All Wool purchased under this Authorisation shall be removed from Wool Selling Brokers’ premises not later than 21 days from date of purchase unless an extension of time beyond 21 days has been applied for and granted by the Australian Wool Realization Commission.

7. The property in any wool purchased under this Authorisation shall not pass to the purchaser until payment by or on behalf of such purchaser of the amount required to be paid within 14 days after purchase of such wool.

8. This Authorisation is liable to withdrawal by the Australian Wool Realization Commission.

Dated this 17th day of November, 1945.

(Sgd.) H. B. LEIGH,
 Secretary.

Exhibit 4.

LETTER, Central Wool Committee to State Wool Committees, 1st November, 1945.

Copy : DP.

HBL/P.

1st November, 1945.

The Secretary.

State Wool Committees,
All States.

Dear Sir,

10

Woollen Manufacturers.

I have to advise that the Commonwealth Prices Commissioner has determined a new basis on which wool will be invoiced to Australian Manufacturers during the period 1st November, 1945, to 30th June, 1946, and the Central Wool Committee has fixed the price to Australian Manufacturers as the Committee's official selling prices in accordance with the Wool Disposals Plan which is embodied in the Wool Realization Act, 1945.

20 In respect of wool manufactured for consumption in Australia a Treasury subsidy to be claimed by and paid to the Central Wool Committee, will ensure that Manufacturers will not be required currently to pay more than the amount hitherto payable on delivery of their wool, viz. :— appraised price plus 10% for shorn wool and appraised price plus 5% for skin wool, plus delivery charges. The balance, if any, of the official selling price will be deferred and will become payable in the event of the wool being exported in its raw or any other state.

30 In view of the new determination of the price of wool to Australian Manufacturers, it has become necessary to withdraw Authorizations to Purchase Wool issued to Australian Manufacturers, and letters have been sent to all Manufacturers advising them of the changed conditions and forwarding a Form of Application for completion. There will, of course, be some time lag before Authorizations are issued.

Wool sold to Australian Manufacturers on or after to-day will be invoiced by the State Wool Committee at official selling prices, and the invoice will show the amount deferred and contingently payable under the National Security (Price of Wool for Manufacture for Export) Regulations, and the amount currently payable by the Woollen Manufacturer. In cases where the official selling price is less than the *pro forma* price shown on Brokers' invoices, all reference to the National Security (Price of Wool for Manufacture for Export) Regulations will be

Exhibits.

4.

Letter,
Central
Wool
Committee
to State
Wool
Com-
mittees,
1st
November
1945.

Exhibits.

4.

Letter,
Central
Wool
Committee
to State
Wool
Com-
mittees,
1st
November
1945,
continued.

omitted and a credit note forwarded for the difference. Two copies of the invoice will be required by the Central Wool Committee, one of which will be sent to the Commonwealth Treasury when claiming subsidy.

Brokers will issue to Woollen Manufacturers invoices as heretofore showing the appraised price with the addition of 10% or 5% as the case may require, the delivery charges, and the date for payment. These invoices must be clearly marked "Pro Forma." Manufacturers will continue to pay Wool Selling Brokers for wool purchased, the amount so payable being the amount of the *pro forma* invoice. Specimen copies of the *pro forma* invoice and invoice are enclosed for your guidance. 10

I am also directed to inform you that, in accordance with the Wool Disposals Plan, the Central Wool Committee has decided that as from 1st November, 1945, apportionment of those wools which are required both by U.K. Manufacturers and Australian Manufacturers, and which are not in sufficient volume to meet both demands in full, will be made on a basis to be determined. More detailed advices will be sent to you concerning this matter.

Yours faithfully,

(Sgd.) H. B. LEIGH,
Secretary. 20

LETTER, New South Wales State Wool Committee to Central Wool Committee,
6th November, 1945.

Exhibits.

Copy : DP.

NEW SOUTH WALES STATE WOOL COMMITTEE.

G.P.O. Box 4021.

GFM/RMB.

10 Loftus Street,
Sydney.

6th November, 1945.

4.
Letter,
New South
Wales
State
Wool
Committee
to Central
Wool
Committee,
6th
November
1945.

10 The Secretary,
Central Wool Committee,
Melbourne, Vic.

Dear Sir,

Woollen Manufacturers.

I acknowledge receipt of your letter dated 1st instant in the above
matter and have noted and acted upon the instructions therein.

Yours faithfully,

(Sgd.) G. F. MULLEN,
Accountant.

Exhibits.

Exhibit Q.

NOTICE to Approved Wool Selling Brokers, 28th July, 1945.

Q.
 Notice to
 Approved
 Wool
 Selling
 Brokers,
 28th July
 1945.

NEW SOUTH WALES STATE WOOL COMMITTEE.

Telephone : BW 3721 (6 lines)

G.P.O. Box 4021.
 AGS/GR.

10 Loftus Street,
 Sydney.

28th July, 1945.

NOTICE TO APPROVED WOOL SELLING BROKERS.

10

PRICE OF WOOL TO MANUFACTURERS.

I have, by direction, to advise you that in accordance with a determination received from the Commonwealth Prices Commissioner, the Central Wool Committee has fixed the price of wool invoiced to Australian manufacturers for the period 1st July, 1945, to 30th June, 1946, as follows :—

“ Appraised value plus 10% for shorn wool, or plus 5% for skin wools, plus an additional amount, $27\frac{1}{2}\%$ of appraised price, to bring the price up to export issue price. This additional amount however will become payable only in the event of the manufactured goods being exported from the Commonwealth.”

The usual delivery charges will be payable.

A. G. SARGEANT,
 Secretary.

Exhibit P.

BILL OF EXCHANGE, 20th November, 1943.
RECEIPT, 19th November, 1943.
RECEIPT, 20th November, 1943.

Exhibits.

P.
Bill of
Exchange,
20th
November
1943.
Receipt,
19th
November
1943.
Receipt,
20th
November
1943.



L [redacted] Melbourne 20TH NOVEMBER 1943.

VICTORIA

On Demand Pay to the order of
The Commercial Banking Company of Sydney Limited
the sum of [redacted] AND SEVEN PENCE
value received

To AUSTRALIAN WOOLLEN MILLS PTY. LTD.
SYDNEY

P. P. BIGGIN & AYRTON

Abraham

LETTER OF CREDIT NO. 4448, DATED 19/11/43.

60014 14

Received from
The Australian Woolen Mills
Pty. Limited

*Cheque value of £1000
for [redacted]
Melb. 20/11/43
[Signature]*

No. 419

Melbourne

Received by *Cash* from *[redacted]*
the sum of *£1000*
Pounds *00* Shillings *00* Pence
for *1000/-*

For BIGGIN & AYRTON

£1000-00



Exhibit P.

INVOICE, 20th November, 1943.

LETTER, Commercial Banking Co. to Australian Woollen Mills Pty. Limited, 18th November, 1943.

Exhibits.

P.

Invoice,
20th
November
1943.
Letter,
Commercial
Banking
Co. to
Australian
Woollen
Mills Pty.
Limited,
18th
November
1943.

COUNTER MARKED.

Exhibit P

130

Melbourne. 29TH NOVEMBER 1943.

Invoice for 115 Bales Wool purchased ~~and shipped~~ for account of AUSTRALIAN WOOLLEN MILLS PTY.LTD. to order by Biggin & Ayrton Wool Brokers.

Freight Gross Tared Ex Appraisal No 82.

Bales Wool	3042	14	7
Exchange days at	3042	14	7

DRAWN AT SIGHT THROUGH THE COMMERCIAL BANKING COY. OF SYDNEY LTD.

Richard Longworth

ADDRESS LETTERS TO BOX 1728 C. G.P.O. SYDNEY.

The Commercial Banking Company of Sydney Limited

PLEASE WRITE IN INK A.A.P.T.

Sydney 18th November, 1943.

The Secretary, The Australian Woollen Mills Pty.Ltd., 45 Martin Place, SYDNEY.

Dear Sir,

As requested in your letter of even date, we have instructed our Melbourne Office to negotiate the sight drafts of Messrs. Biggin & Ayrton, King Street, Melbourne, on your Company to the extent of £3,042.14.7. (three thousand and forty two pounds fourteen shillings and seven pence) if accompanied by invoices signed by Mr. R.C. Longworth for 115 bales of wool ex Appraisement No. 82.

The expiry date of the Credit is 2nd December, 1943.

Yours faithfully,

[Handwritten signature]

Exhibit P.

INVOICE for £3,042 14s. 7d., dated 13th November, 1943.

Exhibits.

P.
Invoice for
£3,042
14s. 7d.,
13th
November
1943.

McLennan

13th November, 1943.

Invoice for 115 Bales that were sent shipped to Sydney for account of Messrs Australian Woollen Mills Pty. Ltd. by Messrs Strachan & Co. Ltd. Melbourne

Lot	MARKS	BALES	DESCRIPTION	NET LBS					
EX STRACHAN-GEELONG.				APPRAISMENT NO. 82.					
195	CLUAN/ LISMORE	3	Gey	857	21	74	19	9	
968	GWARFORT	4		1131	20 1/2	97	15	8	
1036	ENGLEWOOD/ PANK	4		1228	20 1/2	103	12	3	
EX G. MORT - NEW BOURNE.									
58	THORNTON/ PANK/T	4		1108	19	87	14	4	
102	HR/ CLOVERLEA	7		1982	19 1/2	163	2	1	
105	"	2		544	19 1/2	44	15	4	
778	DW/ WOODSIDE	4		1216	20 1/2	102	12	0	
804	WRG/ NEWTON	2		533	21 1/2	48	6	1	
EX A. ESTATES, MELB.									
800	APA/ GILGAI	6		1846	17 1/2	134	12	1	
880	"	3		856	17 1/2	41	10	6	
1185	H/ DAISYBURG	1		284	20	23	13	4	
1298	RHT/ LAND ILLAC	1		330	19	28	2	6	
1361	GH/ WILLOW	7		1946	19 1/2	160	2	10	
EX 1371 F/ KILMORE									
1904	BEB/ WILSON	1		218	19	17	5	2	
EX V.P.C. MELB.									
937	R/ GLEN	3		727	20 1/2	62	17	1	
EX G.V.P. MELB.									
571	WB/ YEA	1		250	21 1/2	22	2	9	
575	"	1		250	20 1/2	21	7	1	
653	SRO/ MATTANTA	5		1488	20	124	0	0	
EX A. & J. MELB.									
882	OC/ LOVES	5		1502	18 1/2	114	4	4	
885	"	4		1082	19 1/2	86	15	9	
885	WJA/ GROWN	3		810	21 1/2	73	8	2	
EX HELL									
889	"	4		1155	20 1/2	98	13	2	
1110	"	6		1714	19 1/2	137	9	7	
CR FORWARD		82		23396		1916	8	0	

Lot	MARKS	BALES	DESCRIPTION	TYPE QUALITY	YIELD	NET LBS	PRICE						
BT FORWARD		82		APP. No. 82.		23396							
EX N.Z. L. MELB.													
45	A/ HM	1	Gey			285	19 1/2	23	3	2			
86	TR/ WILBY	6				1690	20 1/2	142	11	11			
415	AH/ KTA	4				1079	19	85	8	5			
416	"	1				287	19 1/2	23	0	5			
579	LILYDALE/ JW	1				321	20 1/2	27	8	5			
601	"	4				1144	19 1/2	92	19	0			
674	BELLVY/ COLERAIN	3				876	20 1/2	74	16	6			
1030 WB/ --/ INNISFAIL		1				289	20 1/2	24	7	8			
10	"	2				528	20 1/2	45	2	0			
1032	"	2				661	21	57	16	9			
EX DALGETY, MELB.													
287	NO/ TOURAC	3				1045	20 1/2	88	3	5			
365	AC/ TINBARUN	2				471	21	41	4	3			
369	"	1				327	19 1/2	26	18	2			
993	KS/ AL	1				274	21	23	19	6			
995	"	1				239	20	19	18	4			
		115				32912		2713	5	11			
								271	6	7			
								678	6	7			
								3662	19	1			
								678	6	7			
								2984	12	6			
								17	2	11			
								3001	15	5			
								48	19	2			
								3042	14	7			
								3042	14	7			

Plus 10% additional
" 25% "

Less Amount deferred and contingently payable under the National Security (Price of Wool for manufacturer for Export) Regulations.

Delivery @
Commission @ 30.8.1 @ 1%

Drawn at Sight through the Commercial Banking Company of Sydney Ltd.

I hereby Certify that documents held by us demonstrate that the Wool referred to above was received from:-

- Messrs Strachan & Co. Ltd. Geelong.
- Geddesbrough Mott & Co. Melbourne.
- Australian Estates Co. "
- Victorian Producers Co.-op. Co. "
- Commonwealth Wool & Produce Co. "
- Aust. Mer. Land & Finance Co. "
- New Zealand Loan & Mer. Agency Co. Melb. & Dalgety & Co. Melbourne.

persons liable to pay tax thereon.

a.p. BIGGIN & AYRTON
McLennan

Exhibit R.

**INVOICE for £7,007 18s. 9d., 17th December, 1945.
WEIGHTS AND PARTICULARS OF WOOL.**

Exhibits.

R.
Invoice for
£7,007
18s. 9d.,
17th
December
1945.
Weights
and
Particulars
of Wool.

PARBURY HOUSE, EAGLE STREET

BRISBANE, 17th December, 1945

PTY. LTD.

INVOICE OF 255 SALES WOOL purchased by WM. HAUGHTON & CO., by order

and for account and risk of Messrs AUSTRALIAN WOOLLEN MILLS PTY. LTD.

Shipped per _____ Captain _____

for _____ and consigned to _____

Freight at the rate... per lb. Greasy, per lb. Scoured, per Heavy Base

Lot	Mark	Bales Butts Bags	Description	Net Lbs	Price	Amount	Delivery	Total
	Bro/Fwd.	84		25789		2123 6 9		
128	CHARLOTTE	13	PLAINS/R LTD	4014	19½	330 6 5		
			MOREHEADS LTD.					
1	EAP/HUME-BURN	6	AAA W	1496	22	137 2 8		
4	DO.	2	AAA CE	603	20½	51 10 2		
	DO	1	AAA CW	295	19½	24 5 6		
			N.Z. LOAN & M.A. CO. LTD.					
376	C T W/MID-DLETON	4	AAA CW	1226	20½	103 8 11		
440	CAMERON/DOWNS	6	AAA W	1977	18½	190 6 8		
			R.P.P. CO-OP. ASSN. LTD.					
2	APREFAH/MINDAROO	5	AAA W	1403	20½	119 16 10		
6	APREFAH/MINDAROO	6	2ND COM W	2268	18	170 2 0		
270	T PCO/ALICE/DOWNS	13	AA W AA E	4288	18½	330 10 8		
600	MERINO DOWNS/CC	4	1ST COM	1234	19½	100 5 3		
1606	HF/RANKIN	9	AAA W	2791	19½	226 15 5		
			WINCHCOMBE CARBON LTD.					
75	OTL/OAK-LANDS	9	AAA W	2635	21½	236 1 11		
81	B BROS/WOODLAW	3	AAA W	903	21	79 0 3		
82	DO	5	AAA E	1602	20½	138 10 2		
93	CT/PALGRAVE/DALVERN	3	AAA W	782	22	71 13 8		
95	DO	7	AA W	2024	19½	164 9 0		
203	EHC/LOLOHA	4	A1EW	1137	20½	97 2 5		
315	SUMANA	1	AAA 1W	254	22½	23 16 5		
320	DO	1	AAA CW	221	20½	19 2 2		
325	DO	1	AAA CW	297	19½	24 2 8		
	Car/Fwd.	187		57239		4721 14 11		

Lot	Mark	Bales Butts Bags	Description	Net Lbs	Price	Amount	Delivery	Total
								APPRAISEMENT NO. 88
			AUST. ESTATES CO. LTD.					
493	JCB/GLEN-COR/GORE	15	BBW	4709	21½	421 17 0		
1128	ELDERSLIE	1	AAA EW	281	16½	19 0 6		
			A.M.L. & F. CO. LTD.					
88	NORAH PARK	5	A COM EW, E, W	1534	19	121 8 10		
109	KP/TARA	2	AAA	577	19½	46 17 8		
110	DO	6	AAA E	1806	21	158 0 6		
1	DO	8	AA	2680	18½	206 11 8		
195	BJG CREEK	2	AAA COM W	665	18½	50 11 4		
			DALKEY & CO. LTD.					
278	P&K/STRUAN/MARANOA	6	AAA COM W	1715	19	135 15 5		
279	DO	3	AAA COM E	809	19½	65 14 8		
284	DO	6	AAA E	1876	19	148 10 4		
311	BRANGA/DNS	1	1ST COM E	267	19½	21 8 4		
332	APREFAH/GLEN-VALE	2	AAA	536	19½	42 19 16		
696	BULLAGAI/LTW	11	AAA EW	3714	19½	297 17 11		
700	DO	2	AAA COM E	610	19	48 5 10		
			GOLDBROOK HUNT & CO.					
128	CHARLOTTE	13	AA W	4010	20½	338 6 11		
				25789		2123 6 9		

Lot	MARK	BALES, BUTTS, BAGS	DESCRIPTION	NET LBS	PRICE	AMOUNT	DELIVERY	TOTAL
	Bro/Fwd.	187		57239		4721 14 11		
347	KALAMURRA/ MRH	1	SUP COM W ✓	259	20½	22 2 6		
380	JFR/GLEN- RAY	7	AAA W ✓	2041	23½	199 17 0		
395	REB/GLEN- ORINA	20	AAA W ✓	5084	19½	413 1 6		
398	REB/GLEN- ORINA	14	AAA COM W ✓	3870	18½	294 5 8		
	FNL/ KANALBA	3	400 AAA COM W ✓	824	21½	74 13 6		
445	RM/TOLLANDO/ STANTHORPE	4	AAA W ✓	1103	20½	94 4 4		
447	DO	5	AAA COM W ✓	1413	20	117 15 0		
499	LUCINDALE	3	AAA E ✓	821	18½	62 8 7		
587	VER/MUCKDEN	5	A1 COM ✓	1422	18	106 13 0		
1985	JWF/KIORA	4	AAA W ✓	1141	20½	96 5 5		
2077	MARYLAND/U-U	2	AAA W ✓	446	22½	42 5 7		
		<u>255</u>		<u>75663</u>		<u>6245 7 0</u>		
			3d per lb Delivery			<u>39 8 2</u>		
						<u>6284 15 2</u>		
			10% Additional			<u>624 10 8</u>		
						<u>6909 5 10</u>		
			Comm. on 6284.15.2d @ 1½%	£94. 5. 5				
			Exchange 1/16%	4. 7. 6		<u>98 12 11</u>		

£7007 18 9

**THE AUSTRALIAN ESTATES
COMPANY LIMITED**
BRISBANE

Weights and particulars of 45 Bales of Greasy Wool
Tare, 11 lbs, per bale. Appraisalment No. 58
Brand JFR/GLENCOE/ORE Lot No. 453

No.	Weight Gross lbs	Description
9	353	ORE
S 15	340	
20	329	
28	327	
33	347	
40	344	
S 43	319	
48	309	
56	294	
89	311	
65	323	
71	348	
S 76	313	
79	296	
86	321	
<hr/>		
	4974	TARE
	165	
<hr/>		
	4709	NETT

by to Mills 21-EC-1065
ght
checked

Handwritten notes and a circled 'X' mark.

Exhibit 5.

INVOICE RELATING TO SALES by Winchcombe Carson Limited, 18th December, 1945

Sydney, 18 Dec. 1945.

Sold to AUSTRALIAN WOOLLEN MILLS

by

Winchcombe Carson Ltd.

Newcastle

on behalf of

COMMONWEALTH OF AUSTRALIA

AUSTRALIAN WOOL REALIZATION COMMISSION.

Exhibits.

5.

Invoice
relating to
Sales by
Winch-
combe
Carson
Ltd.,
18th
December
1945.

10

<i>Appraisalment No. N.109</i>				<i>Invoice No. N.109/22</i>		
<i>Lot No.</i>	<i>Brand</i>	<i>Bales</i>	<i>Desc. Greasy</i>	<i>Lbs. Weight</i>	<i>Price Stg.</i>	<i>Amount</i>
357	Doonba/Barraba	4	1 COMW.	1,201	25	125 2 1
365	Do.	1	AAAW	288	24	28 16 0
426	LG/COTSWOLD/BARRABA	2	AAAW	506	24½	51 13 1
655	CR/NEW ENGLAND ..	1	AA COREW	279	22¼	25 17 4
657	Do.	3	ACORE	887	20	73 18 4
658	Do.	3	BBCOR	773	20	64 8 4
		14		3,934		£E 369 15 2
			Exchange @ £25%			92 8 9
						£A 462 3 11
			Amount deferred & contingently payable under National Security (Price of Wool for Manufacture for Export) Regulations			81 0 10
						381 3 1
			Delivery @ ½d. per lb.			2 1 0
			Amount due and payable on prompt date 2 Jan. 1946			£ 383 4 1

20

INVOICE RELATING TO SALES by Australian, Mercantile, Land and Finance Co. Ltd., *Exhibits.*
18th December, 1945.

Sydney, 18 Dec. 1945.

Sold to AUST. WOOLLEN MILLS

by

Australian, Mercantile, Land & Finance Co. Ltd.

Newcastle

on behalf of

COMMONWEALTH OF AUSTRALIA

10

AUSTRALIAN WOOL REALIZATION COMMISSION.

5.
Invoice
relating to
Sales by
Australian,
Mercantile,
Land &
Finance
Co. Ltd.,
18th
December
1945.

<i>Appraisalment No. N.109</i>			<i>Invoice No. N.109/1</i>			
<i>Lot No.</i>	<i>Brand</i>	<i>Bales</i>	<i>Desc.</i>	<i>Lbs. Weight</i>	<i>Price Stg.</i>	<i>Amount</i>
66	ANGLE/LC/CHELSEA ..	1	AAA W	259	22 $\frac{1}{4}$	£E 24 0 3
			Exchange @ £25%			6 0 1
						£A 30 0 4
			Amount deferred and contingently payable under National Security (Price of Wool for Manufacture for Export) Regulations			5 13 7
						24 6 9
			Delivery @ $\frac{1}{8}$ d. per lb.			2 8
			Amount due and payable on prompt date 2 Jan. 1946			£ 24 9 5

20

Exhibits. INVOICE RELATING TO SALES by Pitt, Son & Badgery Ltd., 17th December, 1945.

5.
Invoice
relating to
Sales by
Pitt, Son
& Badgery
Ltd.,
17th
December
1945.

Sydney, 17 Dec. 1945.

Sold to AUST. WOOLLEN MILLS

by

Pitt, Son & Badgery, Ltd.

Newcastle

on behalf of

COMMONWEALTH OF AUSTRALIA

AUSTRALIAN WOOL REALIZATION COMMISSION.

<i>Appraisement No. N.109</i>				<i>Invoice No. N.109/18</i>			10	
<i>Lot No.</i>	<i>Brand</i>	<i>Bales</i>	<i>Desc. Greasy</i>	<i>Lbs. Weight</i>	<i>Price Stg.</i>	<i>Amount</i>		
000	WHL/NEW/ENGLAND	1	AAA W	393	23	£E	37 13 3	
			Exchange @ £25%	..	..	..	9 8 4
						£A	47 1 7	
			Amount deferred and contingently payable under National Security (Price of Wool for Manufacture for Export) Regulations					9 5 1
							37 16 6	
			Delivery @ $\frac{1}{8}$ d. per lb.	..	..	..	4 1 20
			Amount due and payable on prompt date 2 Jan. 1946				£	38 0 7

Exhibit V.

Exhibits.

NOTES OF MEETING between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, held at the offices of the Commission, 540-542 Little Collins Street, Melbourne, on 19th and 20th March, 1946.

V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946.

Present :

Members of the Commission :

The CHAIRMAN (Mr. J. F. Murphy, C.M.G.).

The EXECUTIVE MEMBER (Mr. N. W. Yeo).

Mr. H. B. LEIGH (Secretary, A.W.R.C.).

10 Mr. W. F. HAMILTON (Officer in Charge, Tops & Noils Dept., A.W.R.C.).

Mr. A. COOMBE (Victorian Controlling Appraiser).

Representing Commonwealth Prices Commissioner :

Mr. J. WILLIS.

Members of Advisory Committee :

Mr. E. A. COGLAN (F. W. Hughes Pty. Ltd.—N.S.W.).

Mr. A. C. WILKINSON (Globe Worsted Mills Pty. Ltd.—N.S.W.).

Mr. A. D. MCDUGALL (Eagley Mills—Victoria).

Mr. J. KELLETT (Lincoln Mills (Aust.) Ltd.—Victoria).

Mr. A. B. CRIBB (Ipswich Woollen Co. Pty. Ltd.—Qsld.).

20 Mr. H. S. GRAY (Patons & Baldwins Ltd.—Tasmania).

Mr. R. O. SNAPE (Secretary, The Associated Woollen & Worsted Textile Manufacturers of Aust.).

Representatives of Topmakers :

Mr. C. R. BLACKBURN (Jas. Seymour & Co. Pty. Ltd.).

Mr. W. G. STANLEY (Port Phillip Mills Pty. Ltd.).

Mr. R. J. MICHELL (G. H. Michell & Sons Ltd.).

30 The CHAIRMAN (after meeting and welcoming Members of the Committee) said : Gentlemen, in regard to the Agenda, I suggest that we take the subjects about which I wrote to you in this order : First, the method which the manufacturers will pursue in buying wool. Secondly, the subsidy problem ; and thirdly, the supply of wool tops to manufacturers, as distinct from the export of tops.

PURCHASE OF WOOL BY MANUFACTURERS—PAYMENT OF SUBSIDY.

Mr. MCDUGALL : Mr. Chairman : We had a preliminary discussion yesterday and we thought that the question of the method which the manufacturers would adopt in buying wool might be left until after we had discussed the question of subsidy.

Exhibits.

V.
Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

The CHAIRMAN : I see. Of course, the simplicity of the subsidy— if you can get simplicity—would depend on the purchase of wool at auction, I think. Anyhow, if I were discussing the question of subsidy I would be discussing it, I think, on the assumption of auction sales.

Mr. McDOUGALL : We thought that the question of the method which the manufacturers would use for the purchase of wool could be left until we had more or less arrived at an answer in regard to the question of subsidy.

The CHAIRMAN : All right. We will do that if it suits you. Since we last met you we have been thinking about the different subjects a great deal, and I suppose you have also. We feel we have to try to thrash it out and come to a decision so that we will be able to make the necessary preparation with the machinery for assisting the Prices Commissioner, also in order that you will know where you stand and what to expect. It is a very difficult thing of course to assume any movement in the price of wool or in the price of this wool or that wool—this type of wool or that type. We notice that the British Government has decided to discontinue the payment of subsidy after the 30th June next, but at the same time to maintain the ceiling on the finished goods. That, of course, is their own affair. I should like, however, to have your reaction on that during the course of the discussion. 10

I would like you to say if you can see how they will be able to do that. Apparently, the price ceilings are on the utility goods only. There is no price ceiling, apparently, on the other goods. Of course, exports will go on without the price restrictions. It appears to us, speaking quite frankly, that that has a depressing influence on their bidding capacity at auction. We did consider and discuss with the Prices Commissioner, also with Mr. Willis, who is here to-day, whether they thought anything like that could be done in Australia. We can say that that is not contemplated, although, of course, it would suit the Commission not to have any administrative responsibility in that respect. Then, on the assumption that subsidy is necessary during the continuance of price ceiling we discussed with the Prices Commissioner just what the effect of price ceilings might be because, if price ceiling is maintained and no limitation is placed on exports, there would not be much wool left in Australia for a while until the whole of the export demand had been satisfied. Then, if we said : Well, let the local markets go up to the level of exports for finished goods, that would have the effect of balancing itself. The Prices Commissioner points out, with the full concurrence of the Government, that price stability demands that the control of the production of wool must continue so that if we must continue price fixation on the finished goods, and if we are going to have open market auctions for wool, the consensus of opinion is that the payment of subsidy will be necessary, so that the manufacturers will be able to get their supplies. 30 40

You will remember that at our last meeting Mr. McCarthy submitted a formula which was based upon the idea of averaging out the prices at which wool would be bought, and then paying a subsidy equal to the difference between the price taken as the price fixing basis and the average auction price, or the prices at which each individual manufacturer bought his wool, whichever was the lower, or something like that. The Commission

felt that that would be too complicated, and we did not feel that it could be worked with reasonable facility. But we have since considered another idea and we wanted to discuss it with you. The idea is that you would take the combing wools first, and disregard for the time being the carding types. We are wondering if it would be reasonable to pay a subsidy on tops. Just as there is now collaboration between the Prices Commissioner and this Commission in providing the price at which the topmaker is permitted to sell his tops of various types, so through the same machinery it would be possible to determine the subsidy to be paid from time to time. Then to do that it would be necessary, of course, for this Commission to make a close statistical study of the market and be able to work out the movements in the average prices at auction from time to time, and to make adjustments in the subsidy on the tops according to those changes. We would not want frequent alterations in the amount of the subsidy. We would hope it would not be necessary to have frequent alterations because we do not expect frequent fluctuations in the price of the raw wool ; but if there was an upward movement in wool, and it went on for a period, then that might necessitate fairly frequent adjustments. Now, the question is, if it is possible with that brief description, to work out a plan for subsidy payment at the tops stage. We think also that it would be possible that that machinery would assist us at least to an extent in solving the problem as between the topmaker and the manufacturer because we would propose—I do not want to anticipate the discussion on the problem between the topmaker and the manufacturer—that the administrative machinery ought to be worked to ensure to the topmaker the export price for his tops on that portion of his sales to any manufacturer which is represented by the ultimate export of the finished goods. We can leave that question aside for the moment, but we believe that the machinery to be developed to administer the price subsidy at the tops stage would also help us to ensure to the topmaker the export price for the tops sold to the manufacturer, which would be the equivalent of the ultimate export of the finished goods, that is, of yarn or of the goods in later stages of manufacture.

I have put carding types of wool aside for the moment. If we can arrive at a solution of the combing types, we could later look at the problem of the carding types. Perhaps Mr. Yeo would supplement my remarks on that point.

Mr. YEO : The only thing which I wish to say is, if it is decided that a subsidy on tops will be sufficient to cover all that is necessary by way of subsidy, it will be necessary for us to work out some method of dealing with the noils and wastes which come from the combing of the tops. That is a difficulty which I see in calculating the subsidy or following out the amount of the subsidy to be ultimately paid. If a man gets the local price for his noils, it is simple enough, but if the noils are exported it could easily affect the cost of the tops. The whole thing is one of machinery. It is a question whether the machinery can provide for all those contingencies which must be provided for.

The CHAIRMAN : Mr. Willis, would you like to say anything at this stage from the Price Commissioner's point of view ?

Exhibits.

V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Mr. WILLIS : The only point that the Commissioner would take would be that if subsidy is involved at the topmaking stage, he would naturally be concerned about some question of what would be a reasonable price for the topmaker to pay for his wool.

Mr. STANLEY : That is the crux of the whole thing.

Mr. WILLIS : It all comes back to that. He would want to know what is the limit of subsidy that he would have to pay in relation to the prices paid by the overseas competitors. He would want some safeguard on that.

Mr. STANLEY : That is understandable. 10

The CHAIRMAN : Of course, that is quite true. But we feel that the averaging of the market would be a safeguard.

Mr. MICHELL : Would you be good enough, Mr. Chairman, to inform me what you mean by "averaging of the market?"

The CHAIRMAN : That is if we could work out the averaging price of the wool required to make tops of the types specified, weekly or monthly, or three-monthly.

Mr. STANLEY : It would need to be weekly to be effective.

Mr. MICHELL : Even a weekly basis would not be practicable, I suggest, because—and I think Mr. Coombe will support me in this—there could be a terrific difference from day to day in the same week. There is no stability in the wool trade so far as auctions are concerned. 20

The CHAIRMAN : Of course, in future, you will at least have the stability afforded by the floor price.

Mr. MICHELL : But above the floor price you can go anywhere. Through the bad judgment of two buyers, who may be major buyers, they might get off their level, and you might find there would be a 5% increase in price although there would be no real reason for it. That has happened many times.

The CHAIRMAN : Have you a solution of that? 30

Mr. MICHELL : My solution would be quite simple, but probably it is against the policy of the Government. The solution would be the abolition of all control. If the price control as applied to this industry were abolished, I think we would solve our problem. I understand that the amount of wool used in Australia is about 8 or 9 lbs. per head.

Mr. WILKINSON : Eight or 9 pounds in weight.

Mr. MICHELL : Clean weight. If that went up 100% it would not be a very serious amount. I understand from Government circles that the

cost of living as compared with pre-war days has risen a certain percentage, something like 25%, and it is anticipated that the increase will reach 33% during the next 12 months. Now, if wool was allowed to go free it would save all the administrative problems and it would not absorb very much of that 25% or 33%.

Exhibits.

V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

The CHAIRMAN : I am afraid that that is beyond our function here. We have already discussed the matter with the Prices Commissioner and we have put to him the desirability of removing all control. The Prices Commissioner is not able to do that, and the Government is not prepared to permit it. It is not only a question whether the cost of the finished goods would increase commensurately with the cost of wool purchased at auction in Australia. The point is that the cost of the finished goods would go up to the export value of finished goods, which is much greater than the export parity based on the wool and that will continue to be the position for some time to come because of the bottleneck in manufacturing capacity. I think we have to attempt to solve the problem in the face of a continuance of price control. I do not think we can get away from that.

Mr. WILLIS : I think the Prime Minister's idea is we must assume that price ceilings will continue—not only price stabilization but price ceilings—at the time auctions commence.

The CHAIRMAN : And for some time after.

Mr. WILLIS : For as long after as is possible.

Mr. STANLEY : In other words, the spending of some millions of pounds in subsidies would not conflict with the present Government policy.

The CHAIRMAN : That is right.

Mr. WILLIS : It would be cheap, actually, in comparison with the other increases.

Mr. STANLEY : And all the anomalies which would crop up and the chance of the thing breaking down.

Mr. WILLIS : I think that would be small compared with the disabilities which would arise if price control were lifted.

Mr. BLACKBURN : In that case we feel that the proposition already submitted regarding the payment of subsidy would be but a small cost towards the benefit that the Nation would derive.

The CHAIRMAN : To which proposal are you referring ?

Mr. BLACKBURN : To the original proposal which included the two invoice methods.

Mr. McDougall : I think we are probably getting a little ahead of ourselves. I should like to explain that there are at the table at present

Exhibits.
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 Notes of
 Meeting
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 Advisory
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 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

a number of gentlemen who were not here when the original meetings were held. Representatives of the manufacturers met the Commission on two previous occasions and we discussed the question of subsidy. But these gentlemen now present are our official representatives and I think it is only right that they should be given an opportunity to express their opinions. It would appear that it is the policy of the Government to continue price control for some considerable time to come, at least until such time as material is available in sufficient supply. Generally, we do not favour price control in circumstances where the price of wool is, shall we say, open, and the price of our commodities is pegged. In such circumstances, the simplest method would be to allow that part of the price of goods to be advanced to the extent of the increase in the price of wool. But that does not necessarily mean the lifting of all control. 10

Mr. COGHLAN : In other words, if wool went to 6d., the manufacturers would be allowed to fix or adjust their selling prices to that extent. That would be fairly simple so far as the manufacturer is concerned.

Mr. WILLIS : Do you mean that if there were a rise of an average of 6d. in the price of wool, you would lift the ceiling price 6d. ?

Mr. STANLEY : Sixpence clean.

Mr. WILLIS : Or the equivalent of the rise in the price of the raw 20 wool.

The CHAIRMAN : With all the added percentages.

Mr. WILLIS : I am afraid that does conflict with the Government's present policy. The Government cannot allow any further increase in the price of woollen goods for home consumption than has already been allowed for worsted yarn. They have gone right up to the safety limit of the C series index, which is the basis on which wages are fixed. If you went any further according to that suggestion you would cause another increase in the basic wage.

Mr. COGHLAN : It would be very small. 30

Mr. WILLIS : No. You mentioned a rise of 6d. clean. That would shift the basic wage to the extent of at least 1s. per week.

Mr. GRAY : How do you work that out ?

Mr. WILLIS : It is a very complicated calculation, which is made by the Commonwealth Statistician.

The CHAIRMAN : It involves the whole structure of the cost of living index.

Mr. STANLEY : On a *per capita* basis, a rise of 6d. would mean £2,000,000 in Australian currency. That would not be a very great amount on the basis of a consumption of 10 lbs. per head, and that is a 40 pretty good basis.

Mr. COGHLAN : A lot of that does not enter into the cost of living calculations, such as blankets.

Mr. WILLIS : Yes, blankets are included.

Mr. COGHLAN : But the item is so small.

The CHAIRMAN : If you worked on the principle of getting the average increase in the price of wool and then allow that to be accumulated through all the processes of manufacture, and if you permit that increase in the price of the various articles, that would be a far more complicated calculation than if you took the original basis, that is, the change in the price of the raw wool required to make the tops, and subsidise the tops in order to keep the price level stable.

Mr. COGHLAN : There would be a lot of complication in subsidising at the tops stage. Take one of the mills here for instance. With improvements in methods and machinery, you have from the top to finished cloth in the one shed. They would not know accurately the weight of tops used. Of course, you are envisaging the possibility of arranging a subsidy with three-monthly rests. But I cannot see that three-monthly rests would help us at all. Manufacturers buy wool at different times. We might buy wool now but we might not be in the market in three months' time.

The CHAIRMAN : Those difficulties affect the method you are proposing.

Mr. COGHLAN : No ; we would add them on as we can justify our costs.

The CHAIRMAN : But the subsidy would be paid as it was justified.

Mr. COGHLAN : If you do it at the tops stage, that seems to be putting the cart before the horse. Our basis is that of the raw material that we buy. If we are to be subsidised it must be on the basis of the raw material which the manufacturer buys.

Mr. WILLIS : You started off by speaking about subsidising the topmaker. Well, the Commission's basis would be, as you know, on a current building up of the tops prices, that is from appraisal price plus 10% as at present. Therefore, although it might be termed subsidising the topmaker, it would in fact be subsidising on the raw wool basis. It comes to the same thing, except that it is done at topmaking stage because we are speaking of combing wools at the present time.

Mr. COGHLAN : I cannot see how it would work.

Mr. GRAY : In order to implement the scheme, would it be necessary to have individual applications for the subsidy, or would it be worked on an industry basis ?

Mr. WILLIS : That is one of the points for discussion.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

The CHAIRMAN : Every topmaker, I understand, has his books and processes and tops examined by this Commission. This Commission consults with the Prices Commissioner and advises the Commissioner as to the price which is appropriate to the different types of tops produced by the topmaker.

Mr. MICHELL : Is that quite correct, sir ?

Mr. BLACKBURN : We have had, I think, only one examination in six years.

Mr. GRAY : May I ask if a balance sheet comes in on this. From the Prices Commissioner's point of view we want a reason for security. Generally speaking, we are rather perturbed at the present situation which is developing in Great Britain. It is distressing to us that we have great difficulty in getting a sufficient supply of raw material. We certainly cannot get in supplies of raw material on any basis on which a manufacturer could stock up for the future. But on the evidence we have been able to get it would appear that manufacturers in Great Britain are already free to stock up although at present they are unable to turn the wool into manufactures for reasons which are understandable. They are, however, building up maximum stocks of raw material at present prices, which, of course, allow of no necessity for subsidy because they intend to increase production from 50 per cent. to 150 per cent. Our position, in comparison, is that we are over the top of the hill and are getting towards sea level. Our prices are those which were fixed by the Prices Commissioner at a time when we were producing from $2\frac{1}{2}$ to 3 times our normal output, but that is in the process of ceasing. We would like the position to be clarified. We feel we have not had a security base from you, sir, and we think it is very serious. Therefore, we would like you to help us in arriving at some modicum of security for the future. I think Great Britain is reasonably secure, and unless we can arrive at a satisfactory solution of our position to cover all our various problems, we will be in that comparative position. We have spoken of putting aside woollens, for example, but that has an important bearing on it. We can leave that in the embryo stage for the time being, but there are a lot of objections when we get down to detail in regard to the tops question. It is not clear. We must in comparison with manufacturers in Great Britain be allowed to trade freely. The point has been raised regarding the effect on the basic wage of any increase in the price of the finished goods for local consumption, but we cannot see how an increase in the price of the final article will materially affect the cost of living in Australia. I think we are entitled to know if it is so, and if we are wrong, and how those calculations are made. It is something in respect of which we look to you for help.

The CHAIRMAN : Take the last question first. I think we would need a lecture from the Commonwealth Statistician in order to have an explanation of the make-up of the regime of the cost of living index, and the method of calculation. I have particulars of it in my office, but I would not feel competent to set out on an explanation of it. But I can assure you that the Commonwealth Statistician and the financial experts of the Government in Canberra, also the Prices Commissioner, have it

under constant examination. I feel that we can take their word for it that an upward movement in the price of manufactures, in the price of articles manufactured from wool, would adversely affect the cost of living index, and consequently the basic wage. I feel we have to accept that. We would be just as happy as the manufacturers if price control were lifted, and Mr. Willis knows that we have put that to the Prices Commissioner verbally and in writing. The answer is—no. That accounts for the delay in holding our further discussion with you, Mr. McDougall. We have been thrashing that out with the Prices Commissioner, but we must now accept that position. As to the other point mentioned by Mr. Gray, in what respects do you feel the British manufacturer has greater security than the Australian manufacturer? The British manufacturer will receive no subsidy after the 30th June next. At the same time, he will still have a price ceiling in the domestic market. In what respects, therefore, do you consider he will have greater security than has the Australian manufacturer?

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Mr. GRAY : I would suggest in the first place that possibly the reason why he will not have any subsidy after the 30th of June next is because of the very problem about which we are now arguing. I suggest you would not be able to arrive at a solution of a problem of this magnitude which would be equitable, but, of course, that is only my assumption. But I think it is recognised that the subsidy will not be required in Great Britain for the reason that the turnover of the mills is going to increase as compared with the turnover during the war. We have companies at home and their production has been about 48% of their pre-war production. They have now risen to about 64% and they anticipate rising eventually to 150%. They are building up stocks as fast as they can get the wool for the purpose of that increased production which they envisage. They are purchasing as much wool from Australia, particularly those cheap wools, as they can, and they seem to be getting away with it. I do not blame them for that. If you would be kind enough to read this article you will see that we have justification for thinking along those lines.

The CHAIRMAN : Perhaps Mr. Yeo would answer the point regarding the unfairness to the Australian manufacturer compared with the liberality shown to the British manufacturer. I do not know whether it has any bearing on the question of subsidy.

Mr. YEO : The statement made by Mr. Gray is pretty well correct. The discontinuance of the subsidy in England is based on two factors. Mr. Gray has mentioned one of those factors; that is, the large increase in output will greatly reduce costs. There is no question about that. The second factor is that the reduction in the subsidy will apply only to what we call utility goods which are made from the lower classes of wool. The prices of those wools to-day are not so high as to warrant payment of a subsidy. In other words, the margin is very narrow and that margin will be offset by that increase in production and by proper buying. The manufacturers will in that way be able to manufacture those utility goods within the present price range. That is why the discontinuance of the subsidy will take place after the 30th June. But I cannot see that the British manufacturer has a tremendous advantage over the Australian

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

manufacturer. I thought from the statement made by Mr. Gray, that the British manufacturer was getting some advantage in the purchase of wool, but I do not see how that can be.

The CHAIRMAN : Is that what you meant, Mr. Gray ?

Mr. GRAY : We have certain information here—

Mr. BLACKBURN : I have here the latest issue, dated 31st January, of "The Wool Record and Textile World." It contains what is headed "Wool Control Announcement."

Mr. YEO : That is in connection with the discontinuance of the subsidy ?

10

Mr. BLACKBURN : It is in connection with the future development of Scheme "C." The passage which disturbs us is this :

"It is desirable that buying for private import be resumed at the earliest moment and maintained on a considerable scale until June 30th, 1946, especially against Wool Control priorities."

The article is headed off in this way :

"It is still a prime requirement of the Government that any modification of Control shall not result in price increases, with their harmful effect on the cost of living, nor in any weakening of the directional rationing system. The directional rationing system for 20 spinners and manufacturers must necessarily continue for some time, but it is now possible to reduce very considerably existing restrictions in purchase and sale of wool."

An alarming point is that manufacturers are urged by the Wool Control to build up their stocks.

The CHAIRMAN : Where does it say that ?

Mr. YEO : It is an entirely misleading reference. The reference is to importers, not to manufacturers.

Mr. GRAY : I think it says to the manufacturer.

Mr. YEO : It refers to importers, but that does not necessarily mean 30 manufacturers.

Mr. GRAY : They recognise that they cannot manufacture because they have not yet got the necessary number of employees. However, they are urged to build up their stocks. They are advised to do so by the Government—to build up their stocks to a maximum, realising, of course, that they cannot start to manufacture yet. In fact they are not to be permitted to do so, but to be permitted to build up their stocks to the absolute maximum. It is distressing to us therefore that we are unable to purchase up to what we want, even to produce our present requirements.

We hope to expand when we get more employees, but apparently we are on the surface, and we would be glad to know if we are not at a disadvantage in that regard. We are allowed this 28% which has I understand been worked out on some basis, not a pre-war basis, but some equitable basis. On that point I have a reply on a query raised by our Company.

Mr. YEO : It is based on your wartime purchase figures.

Mr. GRAY : I believe this position in a nutshell is that Great Britain is getting two or three times the amount of wool—and presumably holding it in bond—than she can manufacture at the present time ; whereas
10 Australia is not.

Mr. YEO : The position is this : It is understandable that any person in Australia would come to the conclusion that you have come to on a reading of the statement in that journal. But it is a little misleading. At the commencement of the 1945-46 season, the British Government followed the practice which they have followed since the beginning of the war. They advised us of their priority requirements for the season, that is, of wool for shipment direct from this country to Great Britain for war purposes. Those figures have been supplied about the end of July, and Great Britain has never departed from those figures. British manu-
20 facturers may buy within those priority figures. They have not increased their figures at all since the war ended. Those priority figures total only 1,000,000 bales of Australian wool, and that was Great Britain's requirement approximately, for the previous year. Those requirements have not been increased. When Mr. Murphy and I were in London the Wool Control Authorities gave us practically the same figures which Mr. Gray has mentioned. They told us that the capacity of the British Mills was down below 50% of their normal capacity, but that they were hoping to get it up to about 60% before the end of the year. I do not know whether or not they have reached that target. But I fail to see that the British
30 manufacturer is getting any advantage over the Australian manufacturer in regard to the purchase of wool.

Mr. KELLETT : I think the trouble is that the 28% is based on the markets where the big buying takes place. That 28% is soon absorbed here and then buyers are forced to go to other markets.

Mr. YEO : This plan took effect actually and theoretically from the 1st August, 1945, but there was a lapse of three months before the clause in the plan relating to the operation of buyers in the partner countries was brought into effect. That did not take effect until the 1st November, but as from the 1st November, all manufacturers in the partner countries
40 were required to pay export prices or issue prices for their wool. That, of course, meant that the old exclusion clause in the Wool Purchase Arrangement between the governments of the U.K. and the Commonwealth, whereby the wool used for manufacture within the Commonwealth was outside the arrangement, would no longer operate.

Previously, by virtue of that clause, Australian manufacturers had the first pick from the whole of the clip. But, obviously, under the new arrangement that exclusion clause had to be discontinued. Under the

Exhibits.
V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

principles of the present plan, that clause had to go. It would have been quite unfair if it had been retained. It would have been a complete departure from the principles of the plan had we continued the old exclusion clause beyond the 1st November, 1945. Then, the problem arose as to how we would apportion the available wool between the manufacturers in the two countries. So we took the priority figures of the British Wool Control and the purchases by Australian manufacturers under wartime conditions and we apportioned the wool on an absolute percentage basis, taking each category separately. I don't know how you could have anything fairer than that.

10

Mr. KELLETT : On the total of the market ?

Mr. YEO : On the total figures.

Mr. WILKINSON : It would not be fair to make an apportionment on purchases under wartime conditions after the war finished.

The CHAIRMAN : It would be very fair to Australia !

Mr. WILKINSON : During the war we purchased and used 70 % of crossbred wool, but that 26 % or 28 % is not now sufficient so far as merino combing wools are concerned.

The CHAIRMAN : It would have been a different position if there had been a good clip.

20

Mr. WILKINSON : A good clip would certainly have helped a lot, but even based on wartime conditions it is not a fair condition. At least, it is less fair to Australia because during the war we used crossbred wool mainly for war manufactures.

The CHAIRMAN : But demand might easily swing the other way.

Mr. WILKINSON : 80 % of the mills are using merino, not crossbred to any extent.

The CHAIRMAN : I take it that at some stage you will lead this discussion on to the problem of the subsidy.

Mr. McDougall : I think there is another reason why the subsidy 30 to the British manufacturers will not be continued. If there is any difference in the variation in the British mills, I do not think it will operate to the same extent as it will in our case.

Mr. YEO : With the change-over in the prices as at the 1st November, the margin on some of the lower grade wools has practically disappeared. There will, in future, be no need for a subsidy so far as those wools are concerned.

The CHAIRMAN : The price level of wools issued to Australian manufacturers has been very much below the price level of wools issued

to the British manufacturers during the war. Naturally, there will be a still bigger difference in price when auctions are resumed, even though shipping and other things have to be added to it.

Mr. YEO : Australian manufacturers have been able to buy the cheapest wool in the world for years.

Mr. WILKINSON : But that does not make any difference.

Mr. YEO : It does not affect the manufacturers.

Mr. WILKINSON : It is an advantage to the manufacturer to have dearer wool.

10 The CHAIRMAN : Let us try and discuss the subsidy. I think we must take it that price control will continue. In fact we have to accept that position. Mr. Willis has given us a definite statement on that. Mr. McCarthy, the Prices Commissioner, also indicated to us that he could not contemplate any discontinuance of price control in regard to wool for manufacturers as long as the price control system is to continue, nor will there be any increase in the ceiling prices for finished goods. Mr. Willis has told us that any increase in those prices would have an influence on the cost of living figures and that in turn would result in an increase in the basic wage. So we have to accept that position. We must work
20 on the assumption that wool auctions may be resumed in August or September of this year.

If that is to be so, then we have to consider a basis for the payment of subsidy. Now, what would be a reasonable subsidy basis ?

Mr. COGHLAN : Could the father of that Wool Tops scheme tell us how that scheme could be implemented ?

The CHAIRMAN : It was put to me confidentially by a man in your business, in the manufacturing business, but that man is not here at this conference, so naturally he cannot expound it.

30 Mr. WILLIS : May I make a small point at this stage ? If we are to get down to a basis, we must take as our starting point that the selling prices of woollen goods would have to remain as they are at present. Secondly, that means that the old costing basis of raw wool would have to stay as it is, or an approximation of that. For basic price you must get back to the fact that the old cost of raw wool must continue to be the cost otherwise there would be no certainty about it, whether the scheme were worked on the basis of the Wool Tops idea or under any other scheme. It all gets back to the problem of remunerating the manufacturer to the extent of the difference between the old wool price and the price at auction. The Prices Commissioner's view is that if price
40 stabilisation is to continue, you must do that—you have to remunerate the manufacturer for the difference between those two costs and you have to do it as quickly and as simply as possible, compatible with accuracy. However, the purchaser should not be put on any more favourable basis than that on which he would have been working in making purchases before the war.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

The CHAIRMAN : During the war ?

Mr. WILLIS : Before the war. Although we would take a reasonable amount of excess loading off, it has never been the Treasurer's viewpoint to take off anything more than that which it is absolutely necessary to take off, so that the manufacturers or the purchasers of wool would not be put in a more favourable position than they were in before the war. That means they must exercise reasonable economy in buying. But it is a question how you will calculate what is a reasonable buy.

Mr. STANLEY : Any form of subsidy could not put him in a more favourable position than he was in during 1939. 10

Mr. HAMILTON : You cannot buy your friend's clip !

Mr. WILLIS : That is a good one. In other words, a buyer must imagine that he is buying under the same conditions as if auctions existed and there was a fully competitive market.

The CHAIRMAN : Mr. Michell queried me a little while ago when I said that this Commission and the Prices Commission collaborate for the purpose of deciding the permitted price for the different types of Tops. I think also the topmakers sent in particulars of their types of top, also they sent in samples when called on to do so.

Mr. MICHELL : I do not think that was quite the position, 20 Mr. Chairman, but I gathered from your remarks on that point that the Commission investigated our books and so on. That was not the case. We have had only one investigation in six years. That investigation was made during the first year of the war. It took the office three or four months to go through twelve months' work, so you can appreciate the complications of that job.

The CHAIRMAN : At all events, there is at present a basis on which the Prices Commissioner determines the prices.

Mr. MICHELL : That is agreed.

The CHAIRMAN : That is, the permitted selling prices, and it is to 30 be assumed that that will continue in any case—the permitted selling prices of tops. Now, into that procedure there has to be introduced the necessity to vary that permitted selling price according to the changes in the price of wool from which the tops are made. Is that a simple matter to carry out, or is it impracticable ?

Mr. COGHLAN : I should say it is impracticable.

The CHAIRMAN : Why ?

Mr. COGHLAN : Take the case which I mentioned, and there are a number of topmakers in that position. They would not know the weight of tops, the weight of tops used in the continuous process. 40

The CHAIRMAN : Leave that aside for the moment and take a case where a topmaker is selling his tops. If one case is practicable, surely the others are the same.

Mr. COGHLAN : You are presuming that the topmaker only gets the subsidy at some stage after he has delivered the tops to himself or to some other mill. I presume that is the suggestion. That is why I asked for the father of this scheme to outline it. We do not know what the scheme is.

10 The CHAIRMAN : I feel that you must all understand it quite well, because you are seeing difficulties in it. It might be a subsidy on the actual production of the tops, or it might be a subsidy on the tops used by the spinner, or in the case of a man who is a topmaker only, on the tops sold to a spinner as distinct from tops sold to an exporter. In the case of tops exported there would, of course, be a drawback of the subsidy when the export took place, but those are details to be worked out if it can be decided that the scheme is practicable. In the case of a comber who is also a spinner would it be absolutely impracticable for him to record the tops he would use.

Mr. COGHLAN : No.

Mr. KELLETT : You would know your weekly production.

20 Mr. GRAY : Would this variation in price be done on each type of top, say a 64s top ?

Mr. HAMILTON : Each firm has its own types. One firm might call a certain type 64s. Another firm might call its type 70s. Each mill has its own type of 64s. I take it, therefore, that everybody has a range of types which they produce in their mill. They might call those types X, Y, Z ; but that is their range of types, and they buy accordingly for those types which they produce. What they are made up of is their secret.

Mr. GRAY : But the variation in those tops is very heavy.

30 Mr. HAMILTON : The topmaker would produce a sample of his top, and that would be looked at, I take it, by some reliable people, who would say that that top, clean, on the floor, is worth so much.

Mr. YEO : Topmakers are now producing their types of tops from wool purchased at appraisalment prices, plus 10 per cent. Their particular types cost them so much. If the topmaker has to go into the market and buy wool for the production of those tops, the average of which is 10 per cent. up, he will know that his tops will cost him an increased price to that extent, and that would be the amount of his subsidy.

Mr. GRAY : On your own calculation, or on the calculation of each individual mill ?

40 Mr. YEO : It would be on each individual mill's particular type of top.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Mr. MICHELL : I have a query there. When we go into the auction to buy these wools we do not necessarily know, as topmakers, whether a particular bale will be sorted out for Australian requirements, or for export. We do want to be in the position at the fall of the hammer, to be able to say, "Right, our price for export is so much." We do not want to find ourselves in a position where we have to wait a long time until the necessary calculations have been made. Otherwise, we could not possibly carry on our business for export.

Mr. YEO : There, again, you are missing the point. The point I was trying to make is that a topmaker buys wool and his tops cost him so much according to the cost of that raw wool. He receives an allowance for outsorts and for combing. On that basis, the topmaker would produce, say, a 64s. top, the initial cost of the wool being appraised price, plus 10 per cent. I take it that after auctions are resumed, topmakers will continue to produce those same types of top although that will cost them so much more. Now, is there any practicable way of calculating through the auction sales, what the average extra cost of that top will be ? 10

Mr. STANLEY : On the clean cost of the wool, not the top. That is what we must stick to.

Mr. MICHELL : I think a scheme like that could be worked. 20

Mr. YEO : At present you have a definite cost, so far as the wool is concerned, but for that cost you must substitute something else under auction conditions. Is that practicable ?

Mr. GRAY : That is practicable, but how will you get the subsidy ?

The CHAIRMAN : You think that is practicable ?

Mr. GRAY : Yes.

Mr. MICHELL : The only way in which I can see that that could be worked is if your appraisers valued each lot of wool catalogued. They could determine that the present price was so many pence per lb., and we could be invoiced at that price. The auction price would be at another figure which would be somewhat higher. Then a separate invoice could be made out for that different price, and the difference whatever it might be, would have to be paid by the Treasurer in form of a subsidy. That could be done in a matter of minutes. 30

The CHAIRMAN : But that would be no good to us. You could bid whatever you liked, in order to get a particular lot of wool, and no matter what you paid, even if it were twice the proper value of the wool, we would have to pay the difference.

Mr. MICHELL : That is why I suggested earlier that I saw no solution of the problem except if you lifted all controls. 40

The CHAIRMAN : But we have to find a method.

Mr. COGHLAN : The godfather of the tops proposal is not here.

The CHAIRMAN : Our task is to try to solve the problem, not to be funny.

Mr. MICHELL : Mr. Coombe knows a lot about this business from the wool side, and I was wondering if he could help us by throwing in any suggestion into the ring.

Mr. COOMBE : I would still want to know more about the proposed scheme before I could make a suggestion, because we are arriving at the point as to whether a subsidy is to be paid on the difference between to-day's prices for wool and the prices which will be bid in the room at auction, or whether you will only pay subsidy between to-day's prices and the minimum reserve prices.

Mr. YEO : It will be on the difference between to-day's price and auction prices. It was conceded at a previous meeting that every manufacturer works on average.

Mr. STANLEY : That goes back to what I said at one of our earlier meetings. You must have that statistical study of the market. You cannot get away from that.

Mr. YEO : We would need to have a staff taking out the average cost over a period of the various types of wool. The subsidy would be paid according to the difference between that first line—the appraised price, plus 10 per cent.—and a new line which would be based on the average cost over a period. On that basis you would come out pretty well right. On average it would sometimes be up and it would sometimes be down ; but on the average, over a period, it should work out near enough for practical purposes, because you yourselves admitted that you work on average.

Mr. COOMBE : If it is agreed that you would pay a subsidy of the difference between to-day's price and the price bid in the auction room, it would be of no use telling manufacturers or topmakers that they must play the game and not bid too much for the wool.

The CHAIRMAN : It would be on the average price.

Mr. COOMBE : If there is a shortage of wool as there is this year you may be quite sure that every buyer would try to outbid the other buyer in order to get supplies. You would be subsidising competition. That would be inevitable. It would be impossible to work it on that basis, but if you are in a position to supply enough wool to meet demands, there is a possibility of carrying it out on the lines suggested. But the Commission would be faced with a very big task in fixing from time to time the difference between to-day's price and the average price at which the wool is being purchased by each mill, or a percentage rate has to be fixed from time to time on each type of wool. You could say that for such and such a type of wool the subsidy for the next three months would be such and

Exhibits.

V.
Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

such a percentage. Then a manufacturer or a topmaker would know how much he would be subsidised and he could work on that basis. If he bid any more than the subsidy to be allowed he would have to take it out of his own pocket.

Mr. MICHELL : What would happen if the average of the market is such that he cannot make things balance. You might have announced that for the next three months the subsidy would be X , but you might have paid X plus something.

Mr. KELLETT : It would be very difficult to overcome that on a basis of average. 10

Mr. YEO : The average of each manufacturer's purchases has been mentioned, but we had more in mind the average of the market.

Mr. STANLEY : Yes. Then the average of the market would be applied to the manufacturer's purchases.

Mr. GRAY : If a purchaser bought at a figure below the average, would he still enjoy the subsidy. Would it cut both ways? If he had paid prices which averaged above the average which you would determine for the purpose of the subsidy, he would have to bear that expense himself.

Mr. WILLIS : We have said Yes to Mr. Gray's question. The purchaser would enjoy the benefit of clever buying. In other words, he would be in the same position as he was in pre-war—he paid through the neck for bad buying and he made a profit on his good buys. 20

Mr. McDOUGALL : So far as the proposal in regard to tops is concerned, and in view of the variation that could take place in the price of wool, I feel that we might easily get on to the wrong leg. We must get back to wool.

Mr. STANLEY : Yes.

Mr. McDOUGALL : You will pardon me if I repeat the proposal which we submitted at our original meeting with the Commission. I think I ought to do that because there are now some members present who were not here at that meeting. At the time I was putting the view of manufacturers, and it is right, perhaps, that the members of the Advisory Committee who were not at that meeting should hear the proposal which we submitted. Briefly it was this : The present basic price of wool, that is, the present cost of wool to Australian manufacturers. Any increased cost at auction which it might be necessary to pay to obtain the wool required, to be met in the form of a subsidy paid direct by the Commonwealth Treasury to Wool Selling Brokers. Manufacturers would then be required to pay only that portion of the auction price on an invoice calculated on the basis of the present cost of the wool. The matter might be handled as far as local manufacturers are concerned through the brokers. The broker would make out two invoices, and he would collect the difference from the Treasury—the difference between those two prices. 30 40

The CHAIRMAN : I think we indicated that for obvious reasons we could not agree to that.

Mr. YEO : The second invoice would be made out by the Commission.

The CHAIRMAN : But I think you know that we could not put up that proposal—the proposal for the payment of an absolute subsidy between the floor price and the buying price of each individual mill.

Mr. MICHELL : On each individual lot.

Mr. STANLEY : On each individual lot purchased by the mill.

Mr. MICHELL : We cannot see any other plan.

10 The CHAIRMAN : We could not concede that. I think that must be obvious.

Mr. MICHELL : No.

The CHAIRMAN : It would simply mean this : A manufacturer would desire to purchase certain lots of wool. We will say that the market for that particular wool was 20d. per lb. You could bid on until you reached 50d. because a rival bidder would also be trying to get the same lot. You would know that you would be subsidised no matter what you paid for the wool.

Mr. MICHELL : You could safeguard that by saying that you would
20 pay only up to a maximum of so and so.

The CHAIRMAN : What would that so-and-so be ?

Mr. MICHELL : A percentage. I think we could safeguard that point. Your average would safeguard it.

The CHAIRMAN : In that case you would be coming back to something which the manufacturers do not want. The market average is the safeguard.

Mr. GRAY : I think we would not bid against each other in the way you mention. I feel that your fear in that respect will not eventuate. It would only occur when we were not bidding against each other. Any
30 outside buyer would naturally have to bid the same as he did pre-war in order to get his wool.

The CHAIRMAN : But you could outbid him under any circumstances.

Mr. YEO : Imagine what would happen if the American buyers were in the market for the American luxury trade. Where would you be then ? You would have to go to the sky in order to get your wool. There is no question about that.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.

V.

Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

Mr. MICHELL : One good point about that would be that the wealth would be coming into the country.

The CHAIRMAN : But the point is that we could not recommend to the Government that a system for the payment of subsidy on that basis should be adopted. The Government could not pay a subsidy irrespective of its amount.

Mr. MICHELL : I take it you wish to hear our views.

The CHAIRMAN : And we are hearing them, aren't we ?

Mr. MICHELL : Yes.

The CHAIRMAN : We want to hear them all ; there is no limit. 10

Mr. COGHLAN : I am in doubt as to the scheme regarding the tops, and as to how it could be worked. I am assuming, as Mr. Gray suggested that we might be short of wool in certain types. A manufacturer has to go into the market and buy the wool that he wants. The market during that series of sales might be dear. Our firm, for the sake of argument, might happen to have wool on hand while, as Mr. Yeo said, the American buyers were in. Mr. Gray's firm might be buying and might be landed for a lot of wool at a high price, but some months later the market might come down. In that case Mr. Gray would be in a very poor position.

The CHAIRMAN : Yes, but he would have been in that position 20 before the war, and he might be in the same position after the war, when we come to the time when there will be no subsidy.

Mr. GRAY : But I would have been able to apply the increased price to the finished articles. I would have been able to pass on the increase equitably according to my purchases.

The CHAIRMAN : Not if you had competitors.

Mr. GRAY : I might.

Mr. STANLEY : You say that you must accept the Government's decision that price control must continue. That is the first point. All right, there must then be a subsidy. That is the second point. You 30 don't want a subsidy, and we don't want it ; but in view of the Government's decision, it must be so. Therefore we must work out a scheme. The assessing of a subsidy on the basis of the wool top does not appeal to me at all. You must come back to the price of wool, the difference between the prices under the present scheme and the price to be paid at auction. That must be applied to all types of wool used in Australia. That is my opinion. I do not think it can be confined to combing wools. At the last conference we did not get down to that stage, and we adjourned, hoping that something less cumbersome than the proposal then discussed might be evolved. But I cannot see anything else. The subsidy must apply 40 to all types on a clean cost basis. Therefore, some administrative scheme

must be brought into being to cover the working of the plan based on the difference between the cost of wool today and the variation that may take place week by week when auctions are recommenced. The variation may be 5%, 10% or 15% for one week, and it might drop back to 10% or 5% the next week. I do not see how you can apply it to combing wools only. It must be applied to all types of wool. If we concentrate on those lines, I think we might evolve something workable.

Mr. YEO : That assumes that all wools will go above appraised price plus 10%.

10 Mr. STANLEY : Some will go down, some will go up.

Mr. YEO : Subsidy will not be necessary on a large proportion of wools which will be sold after the 30th June next. Already manufacturers are buying certain wools at prices less than appraised price plus 10%.

Mr. STANLEY : On the woollen side ?

Mr. YEO : Yes. And we are making rebates to them on the invoices, but you would not see that.

Mr. STANLEY : No.

Mr. YEO : We are doing that in the case of purchases by woollen manufacturers.

20 Mr. STANLEY : That is news to me, and that clarifies the reason why it was suggested that the plan be confined to combing wools.

Mr. YEO : The question is, can we meet the situation by dealing with combing wools only. If it is the general opinion of manufacturers that the subsidy on combing wools will not meet the situation we can reach agreement on that. I am inclined to agree that carding wools will go up in price, just the same as combing wools.

Mr. McDUGALL : That is the position.

The CHAIRMAN : You have the same view as you had before.

30 Mr. WILLIS : The question is, can we evolve a basis for the payment of the subsidy on combing wools, because, according to all opinion, you will most definitely need subsidy on those wools. If we could do that, we could later, if necessary, apply that basis to carding wools. If we can evolve a principle that will apply in the one case, we could apply it to the other, if necessary.

Mr. MICHELL : I will throw another spanner into the works. What do you define as combing wools and carding wools ?

Mr. YEO : The blank definition of combing wools is wool combed into tops. The Chairman was referring to woollen types

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Mr. MICHELL: The reason why I raise the point is that in the Trade there is any quantity of wools appraised as carding types, which are definitely topmaking types.

Mr. YEO: We do not mean that.

The CHAIRMAN: If we paid a subsidy on the top, it would be on the top.

Mr. MICHELL: I think you have answered my question. It was only on the use of the words "combing" and "carding."

Mr. STANLEY: What you are speaking of when you mention combing wool is the types of wool used in combing as distinct from those 10 applicable to the woollen trade.

The CHAIRMAN: That is so.

Mr. BLACKBURN: Has the Commission any figures to show the quantity of wool taken by local manufacturers year by year for the combing trade as distinct from wools for carding or for woollens. I think the Commission may be under a wrong impression that combing wools are in predominance. Speaking for my own organization combing wools represent only 40% of our purchases, and we are pretty large purchasers.

Mr. YEO: I do not know that we could get out the figures very 20 easily but what has been quite apparent all through the war is that Australian manufacturers have been purchasing wool above the average of the clip. There is no question about that.

Mr. BLACKBURN: That is above the average in quality.

Mr. STANLEY: Yes.

Mr. YEO: In value also.

Mr. COOMBE: If you take the figures for the whole of Australia, I think you will find that combing wools predominate. I should think the proportion would be 30% carding and 70% combing.

Mr. KELLETT: It would be higher for combing wools.

30

Mr. COOMBE: I am thinking of the wools going through the catalogues to local manufacturers. The wools taken by the local mills for the carding trade are from the smaller end of the clip. I think the proportions of 30% and 70% would be about correct. I think the whole of the difficulty is in the machinery to handle the subsidy.

The CHAIRMAN: That is probably so, and what we are trying to get at is a method of simplifying it. If the subsidy is paid on the purchase price of the raw wool it can be done, but it is complicated. It will entail a lot of calculations.

Mr. YEO : If we could get some genius to give us the average clean cost after each sale, it would simplify it.

Mr. STANLEY : That is what you will need to have if you are to pay a subsidy on the clean cost of the wool. You would have to follow the same principle right through.

Mr. GRAY : We must know our average at some time or other so that we could ascertain how we stood. We would need to know how we were progressing

Mr. STANLEY : We could not trade unless we had those figures.

10 Mr. HAMILTON : I believe everybody would know what the cost of 64/60s on the market would be. Each buyer would know that. He would work it out. That would be automatic.

Mr. STANLEY : I can turn up all our purchases for years past. At our last meeting I submitted a statement to you showing some of those figures. You will want some of that information to submit to the Prices Commissioner in connection with the payment of the subsidy. I also wish that some genius would come along to do something else, but I cannot see any other way out of it.

20 Mr. COOMBE : I do not want to propose more work for the Commission, but the Commission will have its team of appraisers who will be valuing the wool and assessing the minimum reserve prices of each lot offered for auction. I take it that each of those men would know what the wool is costing after each sale each day or each week. Those men have been accustomed in days gone by to that sort of thing when auctions were held. They have been accustomed either while the auction was in progress or after it had concluded to working out the costs of the various types, clean, on the floor, or clean, delivered. Those men would very quickly be able to confirm and give to you the increased price of each type of wool during a particular week. They would be able to say that the percentage
30 rise had been so much. It would not be a very big item and it is something that they would expect to do and would want to do.

The CHAIRMAN : We contemplated that there would be the necessity to do that, irrespective of whether the subsidy was paid on the greasy wool or on the top.

Mr. COOMBE : I think the consensus of opinion here is that they would prefer to have it paid on the greasy wool.

Mr. STANLEY : On the clean cost. Then we would know where we stood.

Mr. COGHLAN : We would know how we stood then.

40 Mr. GRAY : We would be much more satisfied if it were done that way.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Mr. YEO : If that could be done by our experts, the Treasury could pay a subsidy covering the difference between appraised price plus 10% and the reserve buying price, also the additional subsidy between that point and the next point which would be determined by the experts.

Mr. GRAY : On an averaging basis ?

Mr. YEO : Yes. Your starting point would be the line indicated by the appraised price plus 10%. The difference between that and the reserve price below which you could not buy would constitute the first part of the subsidy which could be paid. The balance above that second point would be a matter for calculation. And if you could arrive quickly at the 10 percentage increase, clean, above the buyer's reserve price, that would determine the subsidy. It could be done by Mr. Coombe's method.

Mr. MICHELL : We had to do that in pre-war days in order to send our cables. We did that before we went to bed at night on the day of the sale. There is no more to it than that.

The CHAIRMAN : If that stage is as easy as stated, it should be just as easily calculated on the tops or the clean content of the wool.

Mr. COGHLAN : One proposal relates to the calculation being made at the stage at which the wool is purchased, and the other at a large stage.

The CHAIRMAN : The point whether it is as practicable at the later 20 stage as at the earlier stage is clarified, I think, by Mr. Michell's observation. It is a question of when you get the money, also, isn't it ?

Mr. STANLEY : No, not altogether. It would be no good getting a subsidy on the basis of $7\frac{1}{2}\%$ if the market had risen $8\frac{1}{2}\%$, particularly if you were buying thousands of bales of wool.

The CHAIRMAN : The point is that so far as the tops proposal is concerned, the calculation as well as the payment would be delayed.

Mr. STANLEY : Yes.

Mr. COGHLAN : I think so in the case of some mills, but not in others. 30

Mr. STANLEY : At the end of the week you would know what the basis is. You would be in a position to know that at the end of each week. Sometimes we would send our buyers around to value the market to give us our daily clean cost.

Mr. KELLETT : That assumes that topmakers and manufacturers would be prepared to accept your opinion as to the increase in price.

Mr. YEO : If this proposal is practicable, what would be wrong if the manufacturers themselves calculated the percentage increase over certain periods and sent that to the Commission so that we could check it with our own calculations ? 40

Mr. STANLEY : That is fair enough.

Mr. GRAY : I think so.

Mr. KELLETT : We can prove it, if we send in our own figures.

Mr. WILLIS : What the Commission would be concerned about would be whether it was an actual mean. In some cases it might be above the market mean. It could be calculated and the calculations could be checked.

Mr. YEO : From the two sources.

The CHAIRMAN : Do you mean that the manufacturers would give
10 their figures or their estimate of the market ?

Mr. YEO : Their estimate of the percentage increase in clean cost. Our appraisers would do the same thing and we would compare the figures.

The CHAIRMAN : And every manufacturer who purchased wool could send in his figures.

Mr. YEO : Some one suggested that it would be an easy matter ; that the manufacturers make their own calculation after each sale.

Mr. STANLEY : Suppose the scheme came into existence and that
20 at the end of two weeks the Commission announced that the market rise was 10%. We would have our clean costs and we would see if we coincided. That would be some guide.

Mr. MICHELL : That is an estimate ?

Mr. STANLEY : Our figures would be based on actual purchases. It would not be an estimate. We would be dealing with facts.

Mr. KELLETT : It would not be a combed result, Mr. Stanley.

Mr. STANLEY : No.

Mr. YEO : You would send in your figures and our appraisers would do the same. Would it not be reasonable to assume that the average should approximate ?

30 Mr. STANLEY : Yes. Mr. Coombe's men would do the same thing. They would give you their estimate, and we would give our figures.

The CHAIRMAN : The individual manufacturer's figures of his own purchases would be useful information, but they would not be the basis of the valuation.

Mr. YEO : What I am trying to get at is that we would get the figures from the manufacturer, showing the clean cost of the rise. They

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

would put in their purchases only. We would get the same information from every manufacturer, and that should give us a very fair indication of the average rise in the market for Australian purchases.

The CHAIRMAN : And we, at the same time, would work out our own estimates.

Mr. YEO : We would have the same machinery for the appraisers.

Mr. GRAY : Will not the subsidy be paid on the average of the world market ?

The CHAIRMAN : The average of the market.

Mr. YEO : I assume that the whole of the Australian purchases would be very close to world average. 10

Mr. GRAY : But you would work on the world average ?

Mr. YEO : On the world average. If you do not buy close to the market average, you would not buy at all.

Mr. McDOUGALL : The calculations would be made at the end of each week or each particular period which might be determined.

Mr. YEO : We have not determined a period, but we would have to fix such a period, and that would be used for the calculations in determining the amount of the subsidy.

Mr. STANLEY : After the first two weeks, you could make a check and see how much money was involved. We would then know where we were. 20

Mr. YEO : As far as payment is concerned, the subsidy could be met partly by payment at once of the difference between the first and second lines—that is, the difference between appraised price plus 10% and the minimum buying rate. The difference between that and the next line, the average purchase price, would be dealt with later.

Mr. KELLETT : Yes.

Mr. YEO : But we would not know that until the new Table of Limits was prepared, until the buying reserve prices had been fixed. After that, we would know immediately the difference between appraised price plus 10% and those minimum reserve prices. The difference between those two amounts could be paid at once. 30

Mr. GRAY : The query has been raised whether manufacturers are to be given any details of the minimum prices.

The CHAIRMAN : I think we can say no to that. We would not give to the people whom we expect to be competing for the wool, details of minimum prices below which we would not sell.

Mr. YEO : I think you may rest assured that we will not disclose that information. *Exhibits.*

Mr. KELLETT : This scheme is more or less getting back to the proposal which we put forward originally.

The CHAIRMAN : It is the original thing which the Prices Commissioner put forward that we wanted to avoid. It is less complicated than the original proposal—much less complicated.

Mr. YEO : The scheme originally proposed would have necessitated a complete analysis of everything, and we wanted to avoid that. If this
10 can be done at the export level we would avoid it.

Mr. GRAY : Then how would the wool be invoiced to the manufacturer—would it be at the price which he bid for it ?

Mr. YEO : The wool would be invoiced by the seller, who is the broker.

Mr. GRAY : The manufacturer or the buyer would automatically pay his bid price, and thereafter he would claim a subsidy.

Mr. YEO : Yes.

Mr. GRAY : He would claim a subsidy through you ?

The CHAIRMAN : Yes.

20 Mr. STANLEY : In making a claim for subsidy in connection with the purchase of a couple of thousand bales of wool, that might involve 10 or 12 or 14 different types. You might advise us that the market was up 5% right through. Then it would become a form of claim. We would have to submit weekly or fortnightly our list of purchases and our total claim on the basis of a rise of the market by 5%. We would have to make our individual claims to you.

The CHAIRMAN : If the claim were made to us, we would be acting only as the agent for the Prices Commissioner.

30 Mr. STANLEY : I am referring to the method which we would follow. Take the invoices we receive from the brokers. We would have to ask the broker to forward a copy to the Commissioner from whom we would collect the subsidy. We would have to do that in order to substantiate our claim. We would have to be issued with an extra invoice by the broker.

Mr. MICHELL : I visualise a complication there. We would have to tell the broker which lot we had bought for manufacture for use in Australia, and which lot for manufacture for export.

Mr. YEO : No, that would not be necessary.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Mr. MICHELL : If we have to present an original invoice to the Commission that would have to come from the broker, but the broker would have to deliver to me invoices showing wools for Australian use and for use overseas.

Mr. YEO : That would not matter.

Mr. MICHELL : I cannot get an original invoice from my own office ; it must come from the broker.

Mr. KELLETT : But the invoice will be at world price.

Mr. YEO : The broker will invoice the wool purchased by you at the price paid at auction, and that is the finish of the broker's job. The invoice for the subsidy will be dealt with later. 10

The CHAIRMAN : You would receive the subsidy as soon as possible after you bought the wool, but if at a later time you exported some of the tops you would then have to make a refund of the amount of the subsidy paid on the wool used in the tops for export.

Mr. MICHELL : That clears the point.

Mr. COGHLAN : It becomes a little difficult when the wool is for export, or the tops. I think that might be done in two parts—one would show the wool purchases for local consumption and the other wool purchased for export, and bought at world parity. 20

Mr. YEO : That is done now, and we still have to collect the surcharge on the wool content of export goods. That applies to all wool purchased after the 1st November.

The CHAIRMAN : If a topmaker were purchasing wool only for export, and not for the domestic market, he would not claim the subsidy.

Mr. STANLEY : It would be quite simple.

Mr. COGHLAN : But when he does claim a subsidy, you want to know to a very small fraction what you are paying.

Mr. YEO : That is simply because if a man exports, he has to base his cost on what he pays the broker for the wool. That is his cost and he has to pay back the subsidy. 30

Mr. COGHLAN : That would become a rather involved calculation if there were 300 or 400 different lots.

The CHAIRMAN : You would calculate your price in the ordinary way, and you would know what to charge for your tops if no subsidy was involved. But you want to know what the subsidy would be.

Mr. KELLETT : We would know on the fall of the hammer what price we paid for the wool.

The CHAIRMAN : And if you were going to export the wool, that would be the price of the wool to you.

Mr. COGHLAN : We would want to know exactly on what basis we were buying.

The CHAIRMAN : If you bought wool, which you knew you would export in the form of tops, you would know that the price paid at auction would be the only price that would come into your calculation. I do not see how that could be interfered with.

Mr. COGHLAN : But it would become complicated if the subsidy
10 came into it.

Mr. YEO : In such a case the subsidy would not apply.

The CHAIRMAN : You could exclude all question of subsidy at the wool purchase stage on wool purchased for export, but if you wanted to collect the subsidy on any tops which you intended to sell locally, it would be only on the wool purchased for the manufacture of those tops that the subsidy would apply.

Mr. COGHLAN : We might buy a number of bales and be in a position to say on the day of buying that the product of those bales would be exported. We would not claim any subsidy on that wool. If you kept
20 some sort of record and we were allowed to export the equivalent of, say, 1,000 bales of wool in the form of tops, that could be done without any impediment ?

Mr. YEO : I can see no great difficulty. If you set aside certain of your purchases for export only and did not claim any subsidy on that wool, you could be permitted to export the product without any further complication or enquiry.

Mr. COGHLAN : That would involve carbonised wool also ?

Mr. WILLIS : It still gets back to the actual clean cost of the wool. You would have to calculate on clean cost.

Mr. COGHLAN : We could say at the time of the purchase that
30 certain wool was intended for export.

The CHAIRMAN : Mr. Coghlan's point is that he wants to be able to go ahead to buy wool for export and to export the tops without drawing any subsidy and without having to refund any subsidy.

Mr. COGHLAN : That holds good as far as carbonised wools are concerned, but the bulk is in scouring wools and tops.

Mr. WILLIS : I see no impediment.

Mr. YEO : I see no reason why the question of the actual payment of the subsidy cannot be confined to the home consumption wools.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Mr. MICHELL : There is another difficulty. If on the day of the purchase of the wool the buyer knew that the wool would be used for one purpose or the other, local consumption or export, the issue would be clear cut. But I do not think we will be able to say at the time of the fall of the hammer just for what purpose that wool will be used. We may believe it will be used for Australian requirements and we might collect the subsidy. However, the demand locally might fall and we might then have to switch it over to export. There is a complication there.

The CHAIRMAN : Let us put a simple case. If, for instance, you could always be sure that the cheapest wool you bought would be used for export, you would, of course, make more profit on your export of tops and you would get a bigger subsidy on the wool purchased for the manufacture of tops for local consumption. 10

Mr. YEO : Is not the position envisaged much the same as it is today ? When a manufacturer buys wool he does not know whether he is buying it for local consumption or for export, but at the point of export we calculate the increased cost of the wool. There is no trouble about that. We do it according to a formula.

Mr. COGHLAN : That is on a flat rate line.

Mr. YEO : For that flat rate line we can substitute our average line. That is the difference. 20

Mr. MICHELL : I think that is the solution. It would have to be worked on those lines. That is the point I have been trying to make all along. We must have these various lines. The average line will take the place of the fixed line.

Mr. COGHLAN : That would put us out of business when selling on a market which was dearer than your average line.

Mr. YEO : Isn't it a question of the principle of average ? What you lose this month, you will make up next month.

Mr. COGHLAN : It is not a question of what the wool cost last month, but what it costs today. 30

Mr. YEO : The manufacturers have already conceded that point on the question of average.

Mr. COGHLAN : I did not. In normal times it is what you can get for tops on the day, not next week or next month or next year. I should like to ask how this business applies to carbonised wool.

Mr. YEO : In what way ?

Mr. COGHLAN : Certain firms buy carbonising types of wool for use in their factories or for export. Take a carboniser who is buying wool at auction both for his own consumption and for export as carbonised wool. 40

Mr. YEO : And he exports some of the carbonised wool.

Mr. COGHLAN : Yes.

Mr. YEO : The subsidy would have already been paid on that wool. What would happen is that by means of a formula we would at the point of the export of that wool obtain a rebate of the Treasury's subsidy.

Mr. COGHLAN : That again would involve complications.

Mr. YEO : Of course you cannot avoid complications. If there were no complications we would not be here.

10 Mr. McDOUGALL : What would be the position in the event of such a thing taking place, the export of that carbonised wool? That wool might have been in the hands of the carboniser or the exporter for a number of months, and in the meantime there might have been a big variation in price. In that case, where would you get your average; would it be the average over the season?

The CHAIRMAN : I think you would have to take those cases as you came to them. I do not think you could lay down a general principle on that.

Mr. COGHLAN : Overseas competitors could do the same thing. It would not make any difference.

20 Mr. YEO : A man who would do that sort of thing would be buying wool for stock purposes and not against commitments. If a man were buying for stock purposes I would certainly take it at the point of sale.

Mr. KELLETT : It would be a case of that man using his judgment in buying.

Mr. McDOUGALL : This applies particularly in the case of any wool on which a subsidy had already been paid.

Mr. YEO : I would still take it at the point of sale, particularly if a man were buying for stock purposes and not against commitments.

30 The CHAIRMAN : Meaning that he might not repay the exact amount of the subsidy.

Mr. YEO : Yes, but that is the only logical way by which you could do it. It would be more logical than trying to trace back the transactions.

Mr. COGHLAN : What do you mean by "at the point of sale"?

Mr. YEO : At the point of actual shipment. If the wool were shipped between, say, the 7th and 14th March, you would take the average between the 7th and 14th, and that would be the rebate, or the basis on which the rebate would be made.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.

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V.

Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

Mr. McDOUGALL : Would not that have a disastrous result if you had bought wool and in three months' time the market had varied considerably. Instead of collecting threepence you might only collect one penny.

Mr. MICHELL : But you would have collected the subsidy and you would be only paying it back.

Mr. YEO : If a man buys for stock purposes he has to take ordinary business risks. Surely he can do it under those conditions as he did it before.

Mr. GRAY : I am still not quite clear as to what it is proposed to do in paying the subsidy. Take, for example, a case in which you might buy wool for a type of top. The price to the manufacturer is appraised price plus 10%. The average of the market might be 15d. but the buyer might find he had purchased for 20d. What is the process of the claim for a subsidy, if any? Your average increase has gone up by 5d. In trying to assess this would you work on the average for Australia or on the average for particular sales? Is it against the average of world purchases? 10

Mr. YEO : The point is that we will ask each Australian manufacturer to send to us within a stipulated period the percentage increase in clean cost of his purchases over and above our buying flat rate. That is simple. 20

Mr. GRAY : That is all we have to do?

Mr. YEO : Our appraisers would do the same thing after all the sales in Australia, and I think the average should be fairly close.

The CHAIRMAN : Mr. Gray would not necessarily get his 5d. If the average were 19d. instead of 20d., he would get 4d.

Mr. GRAY : I must know where I am. Am I to be subsidised on the world average or on some other average?

The CHAIRMAN : It would be the average of the auction prices in Australia.

Mr. STANLEY : Yes.

30

Mr. YEO : But you would have to buy fairly close to world average to get your wool.

Mr. STANLEY : That is so.

Mr. YEO : If we get the two sets of figures that should be a sufficient guide to enable us to determine the average and the subsidy to be paid.

Mr. COGHLAN : Mr. Yeo was developing the point of obtaining a rebate on wool at the point of sale. Let us take an instance. Suppose we were buying wool at 33d. and on that basis we would collect a subsidy

of 3d. That wool might be sold in the form of tops, say, six months hence. In the meantime, the wool might have gone up to 40d. clean. According to what Mr. Yeo says, we would have to pay back on export a subsidy amounting to 10d. We would have to repay 10d. whereas we had only received 3d. That would be a hell of a gamble.

Exhibits.

V.
Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

10 Mr. YEO : Mr. Coghlan has taken a section of the discussion only when I was replying to a question by Mr. McDougall in regard to a man buying wool for stock purposes. Mr. Coghlan is talking of the man who buys against commitments. He would have contacted to deliver the wool at 33d. All right, you buy that wool for export and you pay the export price, and you know exactly how much it cost you, irrespective of whether you deliver the wool in three months time or six months. The question of rebate does not enter into that transaction at all.

Mr. COGHLAN : It does, as I understand it.

Mr. YEO : My reply was given to a question by Mr. McDougall about carbonised stock.

Mr. COGHLAN : As long as you agree that we can buy wool at world parity for export and sell that wool without any further payment to anybody, that is the point.

20 Mr. YEO : The question was referred to Mr. Willis, and Mr. Willis thought it could be done. The other aspect was another question raised by Mr. McDougall.

Mr. COGHLAN : You have agreed as far as carbonised wool and tops are concerned that if we pay world parity we can export that wool on that basis.

Mr. YEO : The Prices Commissioner has not agreed to it, but that is the principle of it.

30 The CHAIRMAN : Later we will discuss the question of complications so far as the topmaker is concerned, but purely on the narrow question that Mr. Coghlan is now asking, the answer must be : Yes, you are free to export the wool. If you bought a certain quantity of wool and you received a subsidy of, say, £1,000 on that wool, which you converted into tops, your point is that if you sold those tops at varying times overseas, the only subsidy you should pay back is the £1,000. If you did not claim any subsidy for the wool and if the product which you proposed to export were clearly recognisable at the time of export, there would be no charge on it. You would proceed as if there were no price control or subsidy or anything else.

Mr. COGHLAN : That suits us.

40 The CHAIRMAN : But that would be looking at it in that narrow sense and that does not preclude us from discussing, when we come to another item, the obligation on topmakers to supply the Australian market with the tops required.

Exhibits.

V.
Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

Mr. COGHLAN : As long as we do not pay subsidy, I am satisfied.

The CHAIRMAN : But it must be clear that the transactions you have in mind, or the wool involved in those transactions is clearly recognisable. If a man pays world prices for wool for export, he will see that he exports it.

Mr. COGHLAN : Suppose that we bought 2,000 bales of wool which we intended for export, but that eventually we exported only 1,000 bales and used the other 1,000 bales for local consumption. You would then give us a cheque, I take it, for the subsidy payable in respect of the 1,000 bales retained for local use. The only difference would be that instead of having given us the cheque three months ago you would be giving it to us now. 10

The CHAIRMAN : It might even be paid on the tops if you sold the tops on the local market. The subsidy could be paid then if the tops were used in the domestic trade. But we are not going to set up any complicated set of machinery to provide for paying you a subsidy in the case you have just mentioned, and then taking it back in dribs and drabs over a period.

Mr. COGHLAN : We do not want to see it burdened with unnecessary restrictions. We do not want to be placed in any better position than the man overseas, but we certainly do not want to be placed in a worse position. 20

Mr. YEO : Before we leave the subject, can Mr. McDougall, as Chairman of the Manufacturers' Advisory Committee, give us some assurance that the views put forward regarding the method of payment of the subsidy that is, the taking of the average line of the prices which is determined by the figures supplied by the Manufacturers themselves, and by the figures of our own experts, would provide a practical solution of the problem.

Mr. STANLEY : The market would be reported to you as having appreciated so much, but it will be an appreciation or otherwise on a number of qualities, 64s. 60s., etc. In making a claim, you must realise what is involved in that. 30

Mr. YEO : My idea of it is that we should simplify the procedure as much as possible. It may be that the new Table of Limits may contain a very reduced number of types. You could do it on types, but you could not possibly do it on the number of types in the present Table of Limits. But if the typing is cumbersome, I think it might be possible to group the types in some way.

Mr. COOMBE : The types could be grouped.

Mr. STANLEY : There may be a difference of 5d. and 2½d. respectively between the crossbred section and the merino. 40

Mr. YEO : What we are looking for at the moment is a *modus vivendi*.

Mr. STANLEY : That is what I am looking for, but a broker's invoice may contain 100 different lots, and you have to try to estimate the clean content for your subsidy.

The CHAIRMAN : Unless somebody has a new point, we will ask Mr. McDougall to reply to the question.

Mr. McDOUGALL : Going back to our original discussions again, it was suggested that it could be handled by the broker, that is, the invoices. That, of course, would be done in conjunction with the Commission, that the amount which is invoiced to the mills would be, shall we say, the
 10 present basis, and that the difference between that basis and the price which was paid at auction would be met by the Treasury. Would that get over the difficulty ?

The CHAIRMAN : We come back to what we have said before. If that were done, it would give Australian manufacturers an unfair advantage in the market. It would give them no limit to the price they need pay in order to get a lot of wool. The only limit would be the bid above their competitors, and that would measure the amount of the subsidy.

Mr. McDOUGALL : I disagree with that. It could be corrected by
 20 the averaging basis.

Mr. STANLEY : Yes.

Mr. COGHLAN : With three-monthly rests.

The CHAIRMAN : Then you would require the grower to do the waiting.

Mr. STANLEY : I don't think three months would work ; it would have to be fourteen days.

Mr. McDOUGALL : No, the grower would get whatever price was paid at auction.

The CHAIRMAN : But who would pay the difference ? Under that
 30 proposal the manufacturer would pay the equivalent of his present price but from what source would the grower get the balance of the money ?

Mr. COGHLAN : Through you, as at present.

Mr. McDOUGALL : But, the safeguard is the averaging. If it were found that the average was below that price which the mill had paid, it would be adjusted in the same way. It would save a lot of work.

Mr. STANLEY : The mill would carry it.

Mr. McDOUGALL : It would save a lot of work for the Commission.

The CHAIRMAN : I do not think so.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

Exhibits.
 —
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Mr. YEO : I do not like the suggestion of the broker doing the invoicing. In the first place you would have to wait until he got all the particulars from us before invoicing. He could not possibly invoice under the normal procedure.

Mr. COGHLAN : You give him the appraised price now for the purpose of invoicing.

Mr. YEO : The broker invoices now according to his catalogue, plus 10%. That is the only way a broker can invoice. You must remember there is a contract between buyer and seller in this business which must be observed ; the broker acting as agent for the grower. I will put forward this suggestion : that the broker prepare an extra invoice in blank, leaving out the price. The Commission would then complete the invoice and send it to the Treasury showing the average line. 10

Mr. STANLEY : Yes.

Mr. YEO : The buyer in the first place must pay the full amount of the broker's invoice. That cannot be avoided. You could not work according to the present plan of the manufacturer paying part, and the Treasury paying part, because the thing is going to be entirely different.

Mr. STANLEY : I do not think Mr. Willis has any conception of what will be involved in the individual claims—of the reams and reams of paper and claims that will have to be made. But I am impressed by Mr. Yeo's suggestion. 20

Mr. YEO : The broker would prepare a blank invoice and we could complete it for the purpose of the subsidy.

Mr. STANLEY : We would pay the full market price to the broker when we got the bill. That is, as far as I can see it.

Mr. MICHELL : I think that covers the query which I raised a while ago, but I should like to mention one thing. If the Government in its wisdom wishes to keep the various controls going I do not think it is just, in order to accomplish that end, that it should saddle private enterprise with extra work, because this will mean a lot of extra work for the handling of these things. 30

Mr. STANLEY : But this suggestion of Mr. Yeo's would simplify it.

Mr. MICHELL : Yes.

Mr. STANLEY : It will also entail a terrific amount of work for the Prices Commissioner's branch, but that is the only way by which we could get finality.

The CHAIRMAN : We hate the thing as much as you do, but we have to try to do it.

Mr. STANLEY : We would have a pretty good idea of what our subsidy would be, too, because we would know what the market was from day to day.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Mr. COOMBE : After listening to the discussion I think the only feasible way of handling it is that suggested by Mr. Yeo, and that is that the manufacturer or the topmaker must pay the price bid in the room, but the Commission would then conclude the invoice, showing the average price for each type of wool during the week, or for the period determined, and then a subsidy is paid on the difference between the present rate and
10 the price represented by that average as shown on the invoice.

The CHAIRMAN : On the Commission's invoice.

Mr. COOMBE : Yes. I think that is sound, particularly if you work on that previous suggestion about the manufacturers sending in from time to time their costings as a check-up on the Commission's prices.

Mr. YEO : Our invoice would show the price of this average line at the bottom of the sheet, also the cost of the wool at the present rate, and the difference would represent the subsidy. We would send that to the Treasury.

Mr. GRAY : Could the manufacturers be given a copy of that
20 invoice ?

Mr. YEO : I do not see any objection to the manufacturer receiving a copy of it.

Mr. STANLEY : For the purpose of our costing system, we would want that information.

Mr. YEO : I can see no objection to your being given a copy of the invoice because this average line would be based on figures supplied by yourself and figures supplied by our experts.

Mr. WILKINSON : You would need to have our figures weekly.

Mr. YEO : That is a question to be decided.

Mr. WILKINSON : You could not send out the invoice until you
30 got our mean averages, our mean figures.

Mr. YEO : I quite agree.

The CHAIRMAN : They would not necessarily agree with the Commission's estimate.

Mr. YEO : The average price would be determined on the figures of our experts, checked by the figures of the manufacturers.

The CHAIRMAN : Later ?

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Mr. YEO : I would like the checking to be done before the claim is made.

Mr. STANLEY : Before you send the first claim to the Treasury.

Mr. WILKINSON : It might take a fortnight to do that.

Mr. YEO : The manufacturers said it would be easy to do it, that is why the method was suggested.

Mr. STANLEY : Following on Mr. Yeo's suggestion, at the end of the first series a check should be made, I think.

Mr. YEO : What do you mean by " the first series " ?

Mr. STANLEY : Whatever series opens first.

10

Mr. YEO : It would include the catalogues of all brokers in the one centre.

Mr. STANLEY : Yes.

Mr. COOMBE : The first series might include very little wool, particularly if you started on the 1st September next. If you started on the 1st of September, the amount of wool which would normally be purchased by local mills would be very small.

Mr. STANLEY : Sales would have started before then in Adelaide.

The CHAIRMAN : It would be in respect of each auction series at which Australian manufacturers would be operating.

20

Mr. COOMBE : I think you would also need to determine whether your average will be for each State or for Australia as a whole. That is most important.

Mr. KELLETT : It should be for each centre, I think.

Mr. STANLEY : Because for the first week your records would relate only to Adelaide.

Mr. HAMILTON : It is at each centre in which you buy.

Mr. YEO : I cannot see any difference in confirming it to centres. I have thrown those suggestions into the ring in order to try to solve a very difficult problem. Some *modus vivendi* must be found for the working 30 of the plan, and I suggest this is worthy of a trial.

Mr. COGHLAN : For many years now, we have been carrying on the fellmongering of sheepskins for topmaking, but I do not see how we could continue to do that under this scheme. Our usual procedure is either to buy sheep at Flemington, or send them down from our own

station, or we buy green skins on the backs of the sheep at the market. Those skins are then sent in the green state or the wet state to our works, and then they are used in a continuous process of manufacture for the production of tops. This is purely our own problem, but there are two other manufacturers in Sydney who, I think, would be similarly affected. I do not know if there are any manufacturers so situated in Victoria or the other States. The question is how to arrive at a subsidy for that wool used for the manufacture of tops. I thought perhaps Mr. Yeo and Mr. Hamilton might make some suggestion.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

- 10 Mr. YEO : I suggest that is a problem affecting one or more individual manufacturers only, and should be dealt with separately. I suggest it is a matter which might be left to the Commission and the Prices Commissioner to decide what method should be adopted, but that it should not be allowed to affect the general principle already discussed.

Mr. COGHLAN : No. I did not want to affect that.

- 20 The CHAIRMAN : There is a way. There will have to be an appraisalment at some stage which is convenient to the manufacturer and to the Commission. I think it will come to the tops stage again. We will have to appraise the manufacturers' product at some stage of the processing of the wool, but I do not know whether that will be at the scouring stage or at some other point. That will have to be done for the purpose of the contributory charge, and it could be done at the same time for the purpose of the subsidy.

Mr. COGHLAN : But are not skin wools excluded from the contributory charge ?

- 30 The CHAIRMAN : No. The contributory charge under the Plan will be deducted. In the case of wool sold at auction, the contributory charge will be deducted from the auction returns. In the case of wool sold in other ways, the charge will have to be calculated by an assessment or an appraisalment or a valuation of the wool at some stage. We will come to that problem in our discussion on one of the other items. We have to discuss the method by which manufacturers will buy their wool. At the same time as your wool will be appraised for the assessment of the contributory charge, the same assessment would have to apply for the purpose of calculating the amount of subsidy.

Mr. COGHLAN : As you know, that particular industry is not particularly good today, due to several factors, including the disparity in the price of pelts for local consumption. I assume that you will give it consideration and will not kill the industry.

- 40 The CHAIRMAN : We have already taken some steps on that.

Mr. COGHLAN : Anything further would just about finish us.

The CHAIRMAN : Now, apart from the complication arising in connection with fellmongered wool, are we clear on the general principle as outlined in the discussion. Do you favour that ?

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Mr. BLACKBURN : May I ask on behalf of topmakers whether, under your scheme for averaging, it is your intention to average under the new Table of Limits types, or will you average a percentage increase in groups, such as super spinners, good topmaking, etc. etc. ?

Mr. COOMBE : It has been suggested that the averaging could be done in groups, but it has not been decided that it should be done that way. It could be determined according to each individual type, or a group of types, but you would not mix average topmaking with good or super spinners. No one would do that.

Mr. BLACKBURN : It may be necessary to determine a percentage 10 for each group.

Mr. COOMBE : Yes.

Mr. McDOUGALL : In regard to the machinery for collecting the subsidy, the procedure, I take it, is that the broker will invoice in the normal way to the buyer. At the same time he will send a copy of the invoice, perhaps in duplicate, to the Commission, and then you will work out the appraisement price, plus 10%, and show that and the average for that series, the difference being the claim which normally would be paid by the Treasury.

The CHAIRMAN : Yes.

20

Mr. McDOUGALL : And I take it a copy of that invoice will be sent to each individual manufacturer.

Mr. STANLEY : That is right.

Mr. YEO : Except that the copy you will receive will not show our workings of the appraised price plus 10%. You would get a copy showing the average line, the price on the average line.

Mr. STANLEY : We would see the amount, and it would not take us long to estimate the other section.

Mr. STANLEY : We would want to know that for costing purposes—for the costing of our tops.

30

Mr. YEO : There would be no objection to your getting a copy of the invoice.

Mr. STANLEY : We might be costing up tops at 1s. or 10d. per lb. too much.

Mr. MICHELL : I should like to ask this question. Are we now in a position to leave this room and book business up till Christmas and book it on our present selling prices, knowing that whatever the wool market is we will be permitted to work on that basis ?

The CHAIRMAN : In respect of your domestic sales ?

Mr. WILLIS : I would like you to put that question in writing so that we can give you a reply in writing. We have already given a temporary reply but it is one which you will require in writing from the Prices Commissioner.

Mr. MICHELL : I am referring to local business. A spinner might come to me and say " Will you book me up until Christmas time ? " I would say " Yes, I can probably do so but what is the price position ? Is it to be on today's present prices or will it be on something different ? "

10 The CHAIRMAN : While not wanting to speak for the Prices Commissioner I think the answer substantially is yes, or as near as these calculations can make it. Is not that so ?

Mr. STANLEY : Would it be in the interests of national policy to sell so far forward ? It must be remembered that we are about to embark on a new scheme. I will not do it.

Mr. MICHELL : I have customers coming to me every day asking me to book at present ruling prices. They try to tie you down to the prices ruling today but we refuse point blank.

Mr. YEO : Under present circumstances manufacturers would not book forward I should think.

20 Mr. MICHELL : I was wanting to know if I could get some assurance that today's prices would still be obtaining in six months time.

The CHAIRMAN : That you would be permitted to charge those prices and not something else ?

Mr. MICHELL : To charge those prices or more.

Mr. STANLEY : I felt that what we should endeavour to do, in view of the fact that auctions will probably commence in September next, is to keep spinners going until the end of August.

30 Mr. WILLIS : We think that price stabilisation will go on for a considerable period. It is a point of Government policy that cannot be actually determined. But I think that most contracts contain a proviso to cover the position. At least that is so in contracts which I have seen in connection with other industries. They contain an escape clause. Anyone who purchases for domestic consumption, purchases on the basis of fixed prices at which he in turn will sell. If price stabilisation is relaxed and increased prices are allowed for domestic consumption, there will be an automatic passing on of those increases all the way down to the eventual consumer. I think every contract should contain some escape clause. As a matter of fact all the contracts that I have seen contain such a clause.

40 Mr. KELLETT : That would be the safest thing to do.

Exhibits.

V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

Exhibits.

v.

Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

Mr. WILLIS : It would be subject to the prices ruling and to the regulations ruling at the time.

Mr. MICHELL : I think most people would put in an escape clause, but it is rather embarrassing all the same to have to apply such an escape clause.

The CHAIRMAN : An escape clause would be included to cover the position which would arise if price fixation were suddenly lifted.

Mr. STANLEY : I introduced into our contracts a new clause recently which provides for today's prices being charged but if at the time of the delivery of the goods the Prices Commissioner has ruled that the price shall be some other price that is the price which will then apply. 10

Mr. COGHLAN : You might now go a little further.

Mr. STANLEY : In the light of what I have heard today I might.

The CHAIRMAN : I think we might now pass on to the next item.

MANUFACTURERS' METHODS IN PURCHASING WOOL.

The CHAIRMAN : Our feeling is that the administration would be very much simplified in regard to the collection of the contributory charge which has to be levied on all wool sold except wool which this Commission will sell, if all manufacturers bought their wool at auction, except where they can show cause to this Commission why the wool they use in their 20 factories should be obtained otherwise.

Obtaining wool "otherwise" would mean wool produced by the manufacturer himself and brought into his works from his own station property, or wool the product of fellmongering in his own works. Another case would be that of a country manufacturer who had had a contract before the war—or who, for reasons properly established, commenced the practice after the war—to buy wool from a local producer and not at auction. We would wish to reduce that to an absolute minimum, and arrange as far as possible that all wool would be bought at auction unless the Commission agreed otherwise in the case of a manufacturer. 30

Mr. McDOUGALL : Provided all buyers both local and overseas were on the same footing I think we could agree to that.

The CHAIRMAN : That proviso is quite a reasonable one. We have considered this fairly carefully and we realise the danger of country buying to the whole scheme of price stabilisation. The whole plan might be endangered by underbidding the market. At the same time there are some merchants or dealers who had a business of that type before the war and we are not anxious to destroy that business or diminish the dimensions of it if it existed before the war. If a firm such as Haughton's or any other comparable firm had a direct overseas business before the war of a certain 40 volume of wool which did not pass through auction we are inclined to

allow that to continue. We are inclined to allow them to retain that volume of trade, which really is very small comparatively. But if they extended their buying in the country beyond the limit which I have just mentioned the wool would have to come up for auction. So in those circumstances apart from the special permission to manufacturers in the categories I have mentioned the only wool which could escape auction would be that quantity of wool which was formerly sold overseas direct by dealers and which did not go through auction. That however would be only a small figure. I think that covers your point regarding all buyers
 10 being placed on the same basis.

Mr. McDOUGALL (*to Members*): Does my answer agree with your views?

Mr. STANLEY: I should like to ask one question. If you are referring to such firms as Haughtons or Kennons, they take wool on consignment. Could a mill buy direct from them?

The CHAIRMAN: No, only overseas business. The point has been made that some merchants prior to the war had a substantial overseas business which they conducted direct between themselves and their overseas clients. This applies more particularly in Western Australia.
 20 It is not so much a problem in the eastern States. But we do not want to be in the position of having destroyed a business of that sort which is the legitimate form of business. We do however wish to prevent the growth of country buying to an extent which would undermine the auction system and the whole basis of our guaranteed price and our reserve prices. The only way in which we can probably control the matter and make the reserve prices effective is to bring all wool to auction, with the minor exceptions which I have already mentioned. I will repeat them.

- (1) Wool produced by a manufacturer himself, and used by him in his own factory.
- 30 (2) Wool, the product of fellmongering.
- (3) Wool purchased by a country manufacturer on a normal basis according to normal policy from producers in his district.
- (4) Wool sold by an Australian merchant or dealer—or whatever you like to call him—direct to clients overseas, according to his prewar connections.
- (5) Wool, the product of the fellmongering of skins owned by the manufacturer, and used by him in a continuous process of manufacture.

Apart from those categories all wool would go through auction.

40 Mr. COGHLAN: In our case we are large growers and the practice that has obtained during the Wool Purchase Scheme has been to pass the wool to the brokers, we having the first right of the selection of our own wool. That arrangement was brought about in order to simplify the working of the scheme as a whole. That of course is expensive from the point of view that we have to pay the brokers' fees. But it would seem

Exhibits.
 V.
 Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

Exhibits.

V.

Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

that if we want to get some rebate on those wools we would have to continue to work according to that scheme. It would be very difficult, wouldn't it, to get any other scheme ?

The CHAIRMAN : We would be prepared to work out with your firm or with any other firm similarly placed a plan by which appraisement could take place at reasonable intervals. We could arrange for the appraisement of the wool at some stage.

Mr. COGHLAN : Would not that mean that it would be appraised twice ?

The CHAIRMAN : The wool would have to be appraised at all 10 events for the contributory charge. When I say appraised I mean that it must be valued. It would be valued as near as possible to the current market value.

Mr. COGHLAN : It would be valued on what it would bring at auction ? And if we used that wool ourselves for local consumption we could claim a subsidy ?

The CHAIRMAN : Yes, because you would be the producers. You would be entitled to the full market price as the producer of the wool, and you would be entitled to buy it at the domestic price.

Mr. COGHLAN : They considered that under the old scheme that 20 would be too cumbersome so they thought it would be better to put the wool into the broker's store.

The CHAIRMAN : I would much rather that you did that for the purpose of this scheme. The exceptions which I mentioned were for the purpose of ensuring that we would not penalise a manufacturer who was also a grower of wool and who produced wool by fellmongering and passed that wool through the various stages of manufacture in his own works. We must arrive at a basis or a method by which the wool of such a manufacturer could be appraised at some convenient stage of the operation. 30

Mr. COGHLAN : We could place the wool in our own store.

The CHAIRMAN : As long as there was an arrangement under which the wool could be valued at some convenient stage of the manufacturer's operation that would be all right. We would not force a manufacturer to take that wool out and put it into a broker's store and have it sold there.

Mr. YEO : That probably will be done. That is some convenient arrangement will be made but I think it is only fair to tell Mr. Coghlan that if his premises are not suitable for the appraisement of the wool it will be ordered out to premises which are suitable. 40

Mr. CRIBB : I am glad that the Chairman mentioned the matter of country manufacturers who buy quite a lot of wool in the country. We

ourselves buy a fair quantity of wool in Queensland, at Ipswich and in the farming districts. We buy quite a lot of single bales. A farmer might have only a few sheep and that farmer would find it much more economical to sell his wool direct than to send it to a broker. It would be a fairly cumbersome process to hold those odd bales. Sometimes a farmer might have only a single fleece. But I think the arrangement suggested by the Chairman would overcome that difficulty.

10 The CHAIRMAN : Yes, that wool would have to be subject to a valuation. I think it is for us to work out the details of the arrangement that would be adopted. We could confer with you on that. I suggest that Mr. McDougall as President of your organization might circularise all your Members.

Mr. McDOUGALL : Yes.

The CHAIRMAN : Is every processor or manufacturer throughout Australia a member of your organization ?

Mr. McDOUGALL : No.

Mr. STANLEY : Probably 90 per cent. would be.

20 The CHAIRMAN : If every manufacturer or processor could be circularised and told of the contents of my letter, it would be then a matter for them to intimate if they felt an exception ought to be made in their case. Then it would be for us to arrange with each of those people if we considered it would be reasonable to except them from the arrangement. We will have to consider how we will work with them and how we will require them to work with us.

Mr. YEO : It is governed by the contributory charge in any case. There is no escape from that.

30 The CHAIRMAN : We would have to work out the details with each individual mill. In Mr. Cribb's case it would be foolish to force wool past his works down to Brisbane for auction and have the wool taken back again if it was your firm's custom prior to the war to buy that wool as you have mentioned and to use it in your works.

Mr. CRIBB : Yes, we bought quite a lot of small lots. In quite a lot of cases when the farmers with a small amount of wool send it to the brokers—it might be a bag or a couple of fleeces—the result has been nil or perhaps 1/-. In one case we had to ask that there should be a refund. The costs involved were greater than the value of the wool.

The CHAIRMAN : Mr. McDougall, is that now quite clear ?

Mr. McDOUGALL : I think it is. But I take the main points of our discussion will be included in the letter which you will write to us.

40 The CHAIRMAN : On the first item we will confer with the Prices Commissioner and get his decision.

Exhibits.

V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.

SUPPLY OF WOOLTOPS TO SPINNERS.

V.
Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

The CHAIRMAN : I suggest that we might now open up the subject of the problem of the supply of wooltops to spinners. This problem is quite different from the one that we have been discussing but it is one which will require a good deal of understanding. The situation is now being reached in which topmakers wish to export some of their product, some wish to do that to a greater extent than others. At the same time the manufacturers are calling out for more and more supplies of tops. We do not know what is quite a fair thing but if a system could be worked out—I am explaining this to you so that you will be able to think it over 10 and I hope we will be able to discuss it again tomorrow morning—under which the topmaker would get export parity for his tops which he supplies to the manufacturer who subsequently exports that product, then some measure of justice would be accorded to the topmaker but if the topmaker is required or if he is forced to supply more and more of his output to the Australian manufacturer and if that manufacturer exports an increasing proportion of those tops or the product of the tops and gets the export profits, that is not fair to the topmaker. Consequently we are trying to find a solution of the problem. If a topmaker supplied tops to a spinner and if the spinner exported some of those tops and supplied others to the 20 local market that is not a clear-cut issue. Part of the arrangement could be that the spinner should pay the topmaker the export price in respect of the equivalent of the yarn which he exported. But the spinner might also sell part of his yarn to domestic manufacturers. Then there is a further stage of manufacture. What is to happen then? I believe, particularly in respect of knitted goods, that the material goes all around the place. The yarn finds its way to small manufacturers here, there and everywhere and then somebody buys from them and sells the material to buyers in Flinders Lane. I am speaking of the Victorian position. Somebody goes to Flinders Lane and buys again and so the material goes 30 into some wholesale or retail store. No matter who buys it in Australia a profit will be made on the export of that material. That is the particular character of the export trade. It is a very peculiar one. I think Mr. Hamilton will tell you that also and that position is increasing. The fact is that a lot of material which you would assume would be manufactured for domestic use is being ultimately exported by people who have no interest in the Australian textile industry and who have no interest in the future of the Australian export trade. It might be possible to do good to our country while at the same time doing good to our topmakers.

To go back over it again, if a topmaker sells to a spinner for the 40 production of yarn for export the topmaker is entitled to the export price for the tops. Then the spinner is entitled to export that yarn without having to pay that deferred charge or anything of that sort. But if the spinner then sells to, we will say, a weaver or a knitter, the question arises whether we can make those two people the only sources from which an exporter may buy. That is the knitter or the weaver. The exporter can export and make an adjustment back. If an exporter wishes to buy from the weaver or spinner he pays export parity for those goods and the adjustment goes back to the topmaker.

That is too complicated a problem to solve tonight but if we can 50 work out something along those lines then I think we can reasonably

expect the topmakers to continue to supply spinners in Australia. But until we do something like that or unless we can do something of that sort it is not fair to ask topmakers to sacrifice the export price for the sake of keeping Australian mills going. That is the way we see it.

Mr. YEO : That is if the Australian mills are exporting.

The CHAIRMAN : Yes. There is another matter. If an Australian manufacturer who is also a topmaker reduces his production of tops in order to keep his other processes at full capacity and if he demands tops in increasing quantities from the topmaker because he is doing that, that is not a reasonable thing and we have to consider that. We have information which enables us to calculate those things and it is not a reasonable thing that a manufacturer who we will say is short of labour should concentrate all his available labour on the subsequent processes of manufacture simply because he can get more and more tops from the topmaker. That is the problem which arises today. I think I have covered all the points of the problem without having suggested any hard and fast method of dealing with it. But I put it to you and you will be able to give it consideration overnight. I suggest we might adjourn on that note and resume in the morning. I do not know how long it will take to complete our discussion but I suggest we resume at 10.30 to-morrow morning. If you will direct your thoughts to that problem we will be very glad.

Mr. MICHELL : Is it your intention that any such scheme should begin to operate as from the 1st July next ?

The CHAIRMAN : It is an urgent matter and we might have to start it immediately.

Mr. STANLEY : In the event of any such scheme being worked I presume that the Commission would be the adjusting body or the collecting body just the same as it is in the case of the surcharge on the exported woollen goods.

The CHAIRMAN : We would supervise it but we would like it to be a voluntary arrangement. The only way in which we could police the arrangement would be by prohibiting the export of the commodity. That is the commodity of any particular organisation which refused to co-operate. We do not want to do that. But that is the only way in which we could enforce anything. The Government could do that but it would be an unhappy arrangement if anything like that had to be enforced. So there it is.

Mr. McDOUGALL : That would apply to manufacturers purchasing tops or yarn from some other source ?

The CHAIRMAN : That is so.

Mr. GRAY : But if a manufacturer pays the topmaker for that portion of the tops which he uses for any export business why do we have to bring in the other matter ?

Exhibits.

V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

Exhibits.

V.

Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

The CHAIRMAN : Because the point is this, is it not, Mr. Gray ?
You are speaking of a manufacturer or a spinner.

Mr. GRAY : A spinner.

The CHAIRMAN : Well, say a spinner sells yarn to a knitter. He would sell at the domestic price. If he then decided to export some of the material he would merely pay the deferred charge which would in comparison be only tiddlywinking. That would not be nearly as much as would be the export equivalent of the tops.

Mr. GRAY : But it should never get to that.

The CHAIRMAN : It is not beyond possibility. We could say that 10 we will not give an export permit to any person who goes to Carlton and buys from half a dozen refugees but that we would grant an export permit to anybody who bought from a reputable knitting firm, from people of substance. If an exporter got some export business he could go to a reputable manufacturer and buy from him at export prices and then an adjustment could be made back with the topmaker. That would be only elementary justice to the topmaker.

Mr. STANLEY : It is nice of you to assure us on that point. I might say that this idea did not emanate from the topmakers.

The CHAIRMAN : No, it is my own idea.

20

Mr. STANLEY : I am sure the other representatives suspect me.

The CHAIRMAN : No, Mr. Yeo and I talked this over. We have a letter from the Wangaratta Woollen Mills in which they enquired if we would force the topmakers to sell them more tops. I have statistics here which I will not quote but they show that some spinners are making less tops now than they made formerly but that they are buying more tops. Those are things which we must investigate. But no topmaker has made any representation on this matter nor has made any representation to Mr. Yeo or to Mr. Hamilton.

Mr. YEO : The position is that we have not yet forced the topmaker 30 to supply the demands being made upon him. Immediately we do that they will have a case.

Mr. MICHELL : Topmakers have been under the impression that they are legally bound to supply tops, because every transaction has gone through the Commission.

The CHAIRMAN : Now the position is different.

Mr. STANLEY : The transactions must go through the Commission while wooltops control prevails.

Mr. WILLIS : If the Commission's position becomes serious enough, the Prices Commissioner might have to exercise his power in fixing export 40 prices.

The CHAIRMAN : The people who are making the profit out of it are not the people who comprise the solid foundation of this industry.

Mr. COGHLAN : But the money is coming into the country.

10 The CHAIRMAN : But you still come back to the problem that I have mentioned. I will say again that no topmaker had the slightest notion that I intended to bring this forward. Mr. Yeo and I have discussed it on a number of occasions. We have also discussed it with Mr. Hamilton. We have had evidence of very strong pressure having been brought to bear by manufacturers who have asked that topmakers be forced to supply them with more and more tops. The reason for that is that those people have been expanding their export business in the finished goods but at the same time they are producing less tops than they produced some years ago.

Mr. YEO : The Commission does not wish to take the responsibility for implementing any arrangement which might be made if that can be done otherwise.

20 Mr. MICHELL : I should like to ask another question. Since the Commission has been functioning we have approached it with a request for a permit to export tops, but we have been refused pointblank because tops were required for the local demand.

Mr. LEIGH : That is so.

Mr. MICHELL : So we have not since the Commission has been functioning had a free hand.

The CHAIRMAN : But the time will come when you will have a free hand. We still have control, but if this business goes on the National Security Act may expire and we would no longer have the power that we now possess. We did not want to be dependent on a voluntary arrangement.

30 Mr. YEO : This is not a problem so long as semi-manufactured production is practically dead.

Mr. MICHELL : We have lost all our overseas customers.

The CHAIRMAN : Not all of them.

Mr. MICHELL : It is so close to that that the difference does not matter.

Mr. STANLEY : Looking at it from the point of view of national economy it would be in the interests of the development of national trade.

The CHAIRMAN : It is desirable to supply local manufacturers with tops provided that they pay the export price for those tops, if the goods are subsequently exported.

40 Mr. GRAY : Is it not reasonable that a spinner ought to be at least using his own combing plant to maximum capacity before he should purchase tops from a topmaker.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

At 5.30 p.m. the meeting adjourned until 10.30 a.m. the next day.

Exhibits.

WEDNESDAY, 20TH MARCH, 1946.

The Meeting resumed at 10.30 a.m.

V.

Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

The CHAIRMAN : We have had advice that Mr. Stanley will not be here this morning, because he is ill. I am sorry to hear that. When we adjourned last night we were discussing the problem of doing justice to the topmakers and at the same time of maintaining the other branches of the industry as far as possible in full production. I would like some expression of view from you, Mr. McDougall, or from your colleagues.

Mr. McDOUGALL : A few of us had an opportunity of a discussion last night and in regard to the matter under discussion, the view expressed was that the topmaker is at some disadvantage if he has to supply local manufacturers with tops if the product manufactured from those tops is exported overseas and if the topmaker does not receive the export parity. I am not in a position to say, however, that the view we express represents the view of the whole of the members of the Advisory Committee. We feel that the matter of reimbursing the topmaker in regard to the export price is a rather difficult one. I refer particularly to yarns and fabrics exported by another individual. It may be reasonably easy to adjust the matter if the next manufacturer, that is, the spinner, or probably even the weaver is doing the exporting, but if in turn the goods go through several hands afterwards, we feel it would be almost an impossible task to trace the transactions back to and make an adjustment with the topmaker. 10

The CHAIRMAN : Cut out that last part, and address yourself to the problem assuming that the transactions do not go beyond the knitter or the weaver.

Mr. McDOUGALL : In that case I think it is possible that some arrangement could be made, but it becomes very difficult if the goods go through the hands of a retailer or a wholesaler.

The CHAIRMAN : I believe it would be impracticable to trace it through all those transactions, but if we adopted the principle that the exporter must purchase his goods direct from the manufacturer, and if they were to be put into export, it would be possible, would it not, to make an adjustment back to the topmaker? 30

Mr. McDOUGALL : I think that is possible.

Mr. KELLETT : Provided that he started off with the topmaker and that the tops were supplied for export. You must have that, otherwise it would get out of hand.

The CHAIRMAN : I think it could be worked, Mr. Kellett, within the price control machinery, even assuming that it was subsidised wool on which the subsidy had been paid. The point would be this : If the topmaker received export parity for the tops then he would refund the subsidy. 40

Mr. COGHLAN : Yes.

The CHAIRMAN : It would not be possible, I take it, for the spinner to say to the topmaker when he was buying the wool " I am buying such and such a quantity for domestic consumption, and such and such a quantity for export." He would not know that.

Mr. KELLETT : He would if he had booked an order for export.

The CHAIRMAN : But he would supply some of the yarn to a local knitting mill or a weaver, that is, if there are people of that sort, and the wool might ultimately be exported also.

10 Mr. KELLETT : That would not matter. It would not matter which tops it came out of as long as the quantity and weight of that particular quality were supplied for export. You could not just take the stocks in a warehouse and say " Half of that is for export." If you took a given weight and booked a given weight with the knitter, and booked a given weight with the topmaker, you would supply it to him at the export figure and give the topmaker the export price.

20 The CHAIRMAN : I take it that the knitter or the weaver would not necessarily know when he was purchasing a certain quantity of wool—putting it from the knitters' point of view—that some of it would be exported.

Mr. KELLETT : I have since tried out a case. I did that this morning with a knitter who I know is exporting. He has not been getting yarn because I know the market is poor. And the prices he will pay are very much above local prices. I said " Will you declare that that is for export ? " and he said " Yes." That would clear the spinner.

The CHAIRMAN : That is a clear cut case.

Mr. KELLETT : I thought I would try out that case this morning.

30 Mr. YEO : It boils down to this : If any topmaker or manufacturer would sell his goods at the prices fixed by the Prices Commissioner for local consumption, he must invoice them for local consumption only, and those goods would not be available for purchase by anybody for export.

Mr. COGHLAN : That would be the solution.

Mr. YEO : The position would be that if anyone came along to export those goods, he would have to say where he bought them, and if he refused to disclose the seller he would not be allowed to export them. If he did disclose the seller, that seller would have to say if he sold the wool for local consumption or for export.

Mr. GRAY : Is it the intention that in that specific case the spinner would apply a higher price to the knitter for that particular yarn.

40 Mr. KELLETT : He must, if he is to give the topmaker a little more.

Exhibits.

V.
Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

Exhibits.

V.
Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

Mr. GRAY : Would that be permitted by the Prices Commissioner ?

Mr. KELLETT : If the goods were declared for export, yes.

The CHAIRMAN (*to Mr. Willis*) : You follow that ?

Mr. WILLIS : Yes, with great interest.

Mr. COGHLAN : We had a talk recently with the Prices Commissioner, and he said there would be no objection to charging extra for the export of yarn.

Mr. WILLIS : We have given special prices for the export of both yarn and cloth.

The CHAIRMAN : What has been happening is this : We will assume 10
that a manufacturer—whether a weaver or a knitter or a spinner—exports
yarn or knitted goods or cloth. He gets an export price for that which is
above the parity of the raw material, and he is paying only a domestically
fixed price for his tops. Therefore, he is making a profit at the expense
of the topmaker. At least half of it is at the expense of the topmaker,
and the topmaker is beginning to get a bit tired of that.

Mr. McDUGALL : I take it that this applies only in cases where the
topmaker supplies the tops.

The CHAIRMAN : Yes, it has nothing to do with cases in which you
go through the whole thing yourself. 20

Mr. GRAY : It is news to me that the Prices Commissioner has
agreed to the sky being the limit so far as price is concerned for export.
I understand that whilst there may be some specific cases excepted, it is
still controlled by the Prices Commissioner, that is, in regard to the final
balance sheets.

The CHAIRMAN : I am not interested in that.

Mr. WILLIS : I think we should consider this apart from balance
sheets, because we are coming into a different era now. We are formulating
future policy.

Mr. COGHLAN : In days gone by, the Prices Commissioner has told 30
us that if we make a profit from export, we are supposed to reduce the price
of our local goods in order that we may keep within our margins.

The CHAIRMAN : Has he told you that you must still do it.

Mr. COGHLAN : He has told us we must do it if we are making too
much profit from our exports. In that case he would see that the benefit
would be passed on the consumer locally. That was the policy followed
at some earlier stage.

The CHAIRMAN : But if the manufacturer pays back some of that profit to the topmaker he escapes that necessity.

Exhibits.

V.

Mr. McDOUGALL : The balance sheets of most companies are very carefully scrutinised and there is a basis of maximum profit allowed, I think. So, if that company is making a greater profit by virtue of local and export business, he is really benefiting Australia.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

10 The CHAIRMAN : Yes, but the point is this : I take it that if a practicable scheme can be worked out, the manufacturer who buys tops and manufactures goods for export from those tops would be quite prepared to pay the topmaker export prices for those tops. I am going to ask the topmakers the same question in a minute. I expect you people to be able to expound a view on this. I take it that if a practicable plan can be evolved the spinners, weavers and knitters would see no objection to the topmakers getting export parity for the tops which subsequently become export goods.

Mr. KELLETT : I offered export prices here six months ago and it was not allowed under the Act. We were exporting yarn to New Zealand.

The CHAIRMAN : I take it that you consider there is no objection.

20 Mr. KELLETT : There is no objection as far as we are concerned.

The CHAIRMAN : Mr. McDougall, would you say there would be no objection on the part of any manufacturer ?

Mr. McDOUGALL : I think it is a matter of principle, relating particularly to topmakers. Under those circumstances I do not think there would be any serious objection, but there might be an objection if it were applied all round. I think it would be most difficult to police.

The CHAIRMAN : What do you mean by " all round " ?

30 Mr. McDOUGALL : If it were a general instruction that export goods must be declared and a higher price paid for the top—you are restricting it to a certain section of manufacturers—to the topmakers who supply the tops.

The CHAIRMAN : It has nothing to do with an organisation which produces its own tops and converts those tops at a later stage of manufacture into yarn or other goods. This problem has nothing to do with that.

Mr. McDOUGALL : Another point to be clarified is what would be a fair and reasonable margin to allow to the top exporter. You could not just leave it open, and that margin would, I take it, vary with the market.

40 The CHAIRMAN : At the present time there is an export market for tops and the finished goods. I do not know which is the more profitable but they are both above world parity for raw wool.

Exhibits.

V.
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Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

Mr. COGHLAN : That is only a passing phase.

The CHAIRMAN : I know, but it is a worry at the present time.

Mr. COGHLAN : We are taking a short view of it at the moment.

The CHAIRMAN : This may go on for two years.

Mr. COGHLAN : It depends on the labour position. If we could get labour as we had it in 1942, productions would be well over-produced in Australia, and I do not know where we would find markets for the goods.

The CHAIRMAN : I will come to that question next on the short-term problem. I feel more that it is a short-term problem and that at the present time the export prices for tops and for manufactured goods are both above the parity for raw wool. Any manufacturer who is exporting goods, or any person who is exporting goods at the present time manufactured from wool is well able to pay export parity for the tops used. I do not think there is any question about that. 10

Mr. COGHLAN : There is no question about that at all.

Mr. WILLIS . There are two points which I think are relevant. The first is that in the question of exporting tops and woollen goods you would have to take it right down to the wholesalers, because many wholesalers have export connections.

The CHAIRMAN : The wholesalers would buy from the knitter, or the weaver, or the spinner. 20

Mr. WILLIS : You would have to consider the problem as it would exist down the whole range and not merely to one stage of manufacture.

The CHAIRMAN : Yes, because the wholesalers would buy some of the goods at a time when those goods were not specifically intended for export.

Mr. WILLIS : Practically every wholesaler is selling forward but the time will come soon when they will be selling something for stock.

Mr. YEO : There should be no difficulty in connection with a wholesaler's export business. If he buys for export he must declare his exports. 30

Mr. COGHLAN : It would necessitate a declaration on purchase.

Mr. YEO : All material sold at the local price must be invoiced for local consumption and it will not be allowed to be exported. That will force the segregation so necessary to police it.

The CHAIRMAN : That is so, but it might happen at times that some goods produced from tops bought at domestic prices would be the goods

exported, whilst other goods manufactured from tops originally intended for export and sold at export prices would go into local consumption. So long as the quantity balances it would be all right.

Mr. COGHLAN : The quantity, yes.

The CHAIRMAN : The declaration would not necessarily mean that this particular lot would be for export, and that lot for home consumption.

Mr. YEO: It would mean that, if a man bought at the local consumption rate, those goods must be invoiced at that price and declared for local consumption. If we trace those goods back to the seller and if the seller told us that they were bought for local consumption and that he paid only local prices, that would be the procedure so far as the Commission is concerned.

Mr. COGHLAN : Our main objection at the present time is that we are asked to supply the wholesaler, and we try to do that in order to meet the requirements of the local market. But the wholesaler in turn exports the finished goods. We sell to the wholesaler in an endeavour to keep the local market supplied, and we are under the impression that the goods will be used by the local trade, but they are not so used, and the wholesaler exports them. So really, he is fooling us a bit.

20 The CHAIRMAN : He is a pretty clever fellow if he can do that !

Mr. COGHLAN : It is easy enough. We cannot say to the buyer " We will not sell to you because we hear that you are exporting the goods."

Mr. HAMILTON : We frequently receive letters from various people who wish to export goods. They tell us that the cloth is such-and-such a quality. We get in touch with the makers of the cloth, and inform them that the goods have been sent in for export, and the mills are astounded. Some mills are reluctant to give us particulars of the cloth, because they did not intend the material to be exported, but only for sale locally.

30 Mr. McDUGALL : I think we must not forget the fact that so far as the worsted side of it is concerned, the Department of Commerce is more or less restricting exports, apart from the material being sent to New Zealand. There may be exceptions, but generally speaking, the policy is one of restriction.

The CHAIRMAN : That is true. Now, I should like to hear if you have anything to say as a user of tops.

Mr. GRAY : I would like to be clear on the position where a spinner has his own combing plant and does some export direct, and for the sake of this argument purchases from other topmakers a portion of the tops necessary to keep his plant going.

The CHAIRMAN : Do you mean that he exports some tops ?

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.

V.
Notes of
Meeting
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Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

Mr. GRAY : No ; he does not export tops. I do not think he should be permitted to buy tops if he has his own plant, but that is a side issue. What I mean is : here is a spinner who has his own combing plant and augments his own combing production by the purchase of tops from another topmaker. He is in the habit of mixing these tops with his own production and he assesses what portion he will export. It could possibly be worked on what percentage of his turnover he exports, or, automatically, if he exported 10% of his turnover, then that would be the portion of his turnover on which the top loading would be applied, and which he should pay to the topmaker. It should be, perhaps, on 10% of his delivery. I do not think we could segregate the tops unless we changed our methods. But I think we could do it in the way I suggest. Our procedure varies from time to time, and a man might not know whether he was buying tops for export, or not. You must look after your home market first, and assist in other directions if you can do so. Presuming that some such arrangement could be worked out, you could reimburse the topmaker equitably on that proportion of export business. There would be only one danger which I can see at the moment, but I think that could be overcome. I am taking the position of a spinner whose eyes are directed to export and the profitable viewpoint. Conceivably his own production is perhaps below average—

The CHAIRMAN : Production of what ?

Mr. GRAY : The production of his own local goods. It may be that the local demand would be falling and the eyes of the spinner would be turned to this temporary position under which he could export a proportion of his output. In such a case, the refund to the topmaker would be greater than that of the man who expends all his energy to supply his own plant for the production of tops for local consumption. The tendency would be for the topmaker to supply to the man who can pay him the most. I feel there is a danger there. The other man might be left lamenting.

The CHAIRMAN : You are raising this point : A manufacturer who attends to the local market has very little of his production for export. Consequently he can pay only the domestic price for his tops. In that case he is likely to be left lamenting if there are a number of manufacturers with an export business to take all the tops or a big proportion of the tops from the topmaker.

Mr. GRAY : Yes.

The CHAIRMAN : That is a problem to be considered.

Mr. WILLIS : I know of at least three spinners who are doing exclusively local business and who are purchasing all their tops. They have no combing of their own.

The CHAIRMAN : Of course, they would have to be taken care of.

Mr. CRIBB : I think your general principle is very fair and reasonable, but there would be a lot of details to be worked out. Your troubles and

problems are our troubles and problems also to some extent. But I think the general principle is quite fair. If our topmakers are loyal to us and supply our requirements, and if we are going to receive an extra profit from the export of goods, the application of your principle is very fair—the topmakers should receive a share of the tops. It seems to me to be a very fair and reasonable principle.

The CHAIRMAN : Strange as it may seem, the topmakers have been silent, except Mr. Coghlan. But he has spoken at all stages of the discussion and has probably been looking at the position from all points
10 of view, and from the point of view of all stages of manufacture. But Mr. Michell and Mr. Blackburn have been silent.

Mr. COGHLAN : It must be looked at from the point of view of the topmaker, the spinner and the weaver.

The CHAIRMAN : Mr. Coghlan spoke occasionally as a topmaker, but principally as a manufacturer. But I should like to hear something from those who are topmakers who are facing this problem at the present time.

Mr. BLACKBURN : You have requested us, Mr. Chairman, to say something. I should like to say in the first place that it was a surprise
20 to me personally that the Commission has given the problem of the topmakers so much consideration. We are very appreciative of that. Speaking for my own Company, I can say we have sincerely tried to cope with the demands of the local trade throughout the war and throughout the present period of the shortage of tops. The wool top controller is fully conversant with our present position. I personally do not think any help which you may give us will induce us or assist us to be able to supply any more wool to the local trade than we are supplying at the present time. The main shortage is in merino tops. We are producing to capacity during six days per week at the present time, but employees
30 will not now work on Sundays. There are no merino tops to be exported from my company. It is no use denying that we are probably the largest exporters in the southern States at any rate, but those exports are cross-breds. We have the plant for the production of crossbred tops, which was installed during the war, to enable us to cope with the wartime demand for those tops. We have had two circles on order for two years or more so that we would be able to convert plant to post-war requirements, but my own managing director in England has been unable to obtain the delivery of the machinery. Until we get more circles we cannot increase our merino output, and very reluctantly we will have to refuse deliveries
40 to people to whom we wish to supply—people who have supported the company ever since its inception. Our position today is that we cannot produce more than we are producing at the moment. At my last interview with Mr. Yeo I had figures showing the comparative deliveries for the last seven months, to the end of January. Those figures showed that there had been a 41% increase in merino production locally or for local requirements. In December 1944 we installed four new merino cards, in addition to our machinery for the wartime merino production. But we still cannot export merino tops. We feel that ultimately our

Exhibits.

V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

Exhibits.

V.
Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

business will comprise both local and export trade, and we are naturally disappointed that we are not able to ship merino tops to the overseas market. We are disappointed that we cannot do anything like that. We have felt that probably some of the worsted manufacturers who have combing plant are not working to the same capacity as we are. That is really all we can say.

Mr. MICHELL : I wish to express my appreciation of the Commission's efforts in trying to help the topmaker. At best, if you do help us it will mean that we will receive a certain sum of money in excess of what we are receiving now. But I do not know whether money is worth very 10 much to us at the present time, because if we did receive it we would pay most of it away in taxation. If we do not pay it in taxation, somebody else will. What I am more concerned about is that in our business we shipped prior to the war fully 50% of our output. During 1941, we shipped up to 60% of our output to overseas markets. But during the last nine months of this financial year, the quantity of production which we sent overseas was absolutely negligible.

The CHAIRMAN : What would that percentage be ?

Mr. MICHELL : It would be something between 5% and 8%. You will realise that that is a big drop from 60%, and that 5% to 8% of exports 20 was made on a much larger total production as compared with our production when we shipped the 60% of exports. Therefore, sir, we have lost our export connections. During the last nine months we made application to the Central Wool Committee for permission to send stuff overseas for the purpose of trying to hold those connections, but we have not been at all successful, and actually we have sent away only a very small quantity of goods. The amount is negligible, and it consisted mostly of coarse qualities. Although you might give us this extra money, the fact remains that we have still lost our overseas connections, which would be more valuable to us than the additional money which we would 30 receive immediately. We tried to anticipate that position two or three years ago, and we wanted to increase our capacity for combing, because so many of the spinners were putting in more machinery although there was not a corresponding increase being provided for in topmaking. Unfortunately, the Government of today did all it could to stop that. When we first desired to install additional plant, the makers indicated to us that there was a reasonable possibility of getting the machinery to Australia by the middle of 1945, but after all the dilly-dallying that went on for nearly two years, we were granted permission to go ahead. Now, however, the indications are that we will be lucky if we receive the 40 machinery by 1947, that is, the complete unit. We will get some of it this year, but we will not be able to use it until we get the remaining portion of the plant. For that reason we find ourselves in a terrible jam. I did wonder whether some easier scheme might be prepared whereby the total weight of material exported either in yarn or tops could be assessed, and some sort of levy put on that to bring the price up to the overseas parity. That might then be divided amongst the makers of the tops. I visualise the position mentioned by Mr. Gray and that is that topmakers might be tempted to sell most of their output to the man who has an

export order, but if some system could be devised whereby the topmaker who supplied the greatest quantity of material, irrespective of whether it were used locally or for export would not be penalised, he would be recompensed for that additional production. I think that covers my main point.

Mr. YEO : That position has not been overlooked by us, because we ourselves have discussed that question of allocating an equitable share of this burden, if it is a burden, or an equitable share of any benefit, if there is to be a benefit. Unless some such arrangement were made, one topmaker would be getting a larger percentage of the burden or the benefit than another topmaker.

The CHAIRMAN : It would be almost certain that legislation would be required in order to implement a plan of that sort. If a voluntary arrangement could be arrived at by which the money would flow back to the topmaker, it would avoid an Act of Parliament. Of course, if there were an agreement among all the topmakers and the manufacturers that as the money flowed back it was placed in a fund and was distributed *pro rata*, that would be completely equitable. Now, unless there are any further points to be cleared up on that subject, I think we might go on to another matter.

Mr. YEO : There is one position which is not quite clear to me, and that is whether it is the desire of topmakers in Australia to re-establish old connections and in addition to establish new connections, and at the same time to do their best to supply local manufacturers in accordance with any directions which may be given to them. Mr. Michell has made it quite clear that they have lost a large proportion of their overseas connections. It is, I think, important so far as this country is concerned, that those connections should be recovered and retained, if possible, if that can be done whilst at the same time the local demand is satisfied. If that is the desire of topmakers, the question arises how can it be accomplished. The expression of opinion that I would like from the topmakers is this : I agree with the statement that the question of money does not enter into it at the moment, but the question of money may enter into it at any time. The question I would like to have clarified is whether the topmakers are in favour of the general plan as outlined by Mr. Murphy that anybody who purchases tops from them and subsequently exports the manufactured article, the yarn or the goods, should be called upon to pay prices in accordance with export parity.

Mr. MICHELL : I cannot see any catch in saying yes to such a suggestion as that.

Mr. BLACKBURN : It would be gratefully received.

The CHAIRMAN : I was going to raise the point as to the obligation of spinners to use their own topmaking plant to capacity before expecting topmakers to supply them with tops. Before going on to that I should like to ask Mr. Hamilton to say what is the position in connection with orders which we hold and which have to be completed, that is orders for the supply of tops.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Mr. HAMILTON : The position is that in regard to India particularly we hold orders which were taken by the Central Wool Committee and which we have undertaken to fulfil. There is an obligation on us to do that.

The CHAIRMAN : To complete the orders which we hold at the present time ?

Mr. HAMILTON : Yes.

Mr. YEO : So far as that is concerned it is a fact that the Commission will insist on the topmakers delivering sufficient tops to complete their contracts. We have undertaken that responsibility. The Commonwealth Government has undertaken it and that responsibility must be met. 10
 But that does not interfere with the overseas connections of topmakers because if tops are being sent overseas they are being exported as your own tops.

Mr. BLACKBURN : That is appreciated.

Mr. YEO : In respect of tops produced from wool purchased after the 1st November you receive the whole of the profits. It is only in respect of tops produced from wool purchased prior to the 1st November that the profit is not yours. There is no disability to the topmaker so far as that is concerned in the delivery of tops to the Commission.

Mr. BLACKBURN : We are not saying there is. 20

The CHAIRMAN : The main thing is who will get the export profit. We are not getting it.

Mr. YEO : I would like to ask Mr. Michell if his firm is delivering tops to the Commission ?

Mr. MICHELL : For India ? If we are it will be in negligible quantities.

Mr. BLACKBURN : I think it is a matter involving the particular circumstances relating to each plant.

Mr. HAMILTON : The bulk of the Indian demand is mostly for crossbreds, but now they are coming on to a quantity of merino types. 30

Mr. MICHELL : I should say we have not supplied any tops in merinos to India during the last six months.

Mr. HAMILTON : Yes, you have.

The CHAIRMAN : I think we might now go on to the next question. It is involved in this one problem.

USE OF PLANT BY MANUFACTURERS (COMBER-SPINNERS) TO CAPACITY
BEFORE PURCHASING TOPS FROM TOPMAKERS

Exhibits.

V.

Now, what would be the views generally of your Committee, Mr. McDougall, on this point that manufacturers who are combers ought to be expected to work their own plant to capacity before they buy tops elsewhere ?

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

10 Mr. McDOUGALL : I think it is natural that they should do so. I think it would be in the interests of the manufacturers themselves. Normally a manufacturer would prefer to use his own plant. But if he does not use his own plant to capacity there might be some special circumstances for that. There might be a particular shortage of labour. But I suggest that it would be in the manufacturer's own interests to employ his own plant as fully as possible.

The CHAIRMAN : Yes.

Mr. McDOUGALL : We have not discussed this so I would like our Members to express their own views.

The CHAIRMAN : I am anxious to get your views on the proposal. I think if all manufacturers who are combers were to produce tops to the full capacity of their plant it would help to solve this problem.

20 Mr. CRIBB : I might mention the position as it exists at one of our mills in Queensland. There we have a carding and a combing plant. But it is practically obsolete. It is not absolutely obsolete but it is near enough to it. If a manufacturer can buy better tops than those which he himself can make, and if a regulation to cover the position which you have mentioned were put into force, would that manufacturer be compelled to use his own plant before he could buy tops elsewhere ?

The CHAIRMAN : When did he stop using his own plant ?

Mr. CRIBB : I am not quite certain but it would be a couple of years ago.

30 The CHAIRMAN : Well that plant would not have become completely obsolete just a couple of years ago.

Mr. CRIBB : The point is that he can now buy better tops than those which he could produce himself.

The CHAIRMAN : He could have done that five years ago.

Mr. CRIBB : Possibly.

Mr. BLACKBURN : I think the plant that Mr. Cribb is speaking of is an obsolete plant.

The CHAIRMAN : But it didn't just become obsolete two years ago ?

Exhibits.
 ———
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Mr. CRIBB : Quoting our own case, we had a plant which we considered was obsolete. It was not a white elephant, but it was not used and we sold it. It is quite possible that it would be suitable for the work of some other firm.

The CHAIRMAN : You are referring to a topmaking plant ?

Mr. CRIBB : Yes. Owing to the pressing demand for more production in wartime, no doubt the plant could be used. But whether it could be used in peacetime, I do not know. The fact remains that we sold the plant because we had no use for it.

Mr. BLACKBURN : I think we bought it. We bought it during the peak period of the war for the purpose of turning out crossbred tops. That plant has since been scrapped by us. 10

The CHAIRMAN : The falling off in wooldops production by top-makers who are also manufacturers between 1942 and the present time amounts to about 80,000 lbs. per week.

Mr. WILKINSON : A lot of that has been brought about owing to the mills crossing over from crossbred types to merinos. That is the main reason.

Mr. HAMILTON : Some of it might have been brought about by re-combing too, Mr. Wilkinson. 20

Mr. WILKINSON : I do not think so because the mills have their cards and combs and they have extra combs for re-combing.

Mr. HAMILTON : Certain manufacturers have mentioned that to me as being the reason.

Mr. WILKINSON : In our case we have had extra combs for re-combing. I can tell you that you can turn out 50,000 lbs. per week of crossbred but with the same plant and working the same hours you could turn out only 34,000 lbs. of merino ; say 64s. as against 56s. or 58s. If you went into it I think you would find that that was the main reason for the falling off in the weight of the production. You will find it was a case of crossbred tops as against merino tops. 30

The CHAIRMAN : I would be very surprised at that as an explanation.

Mr. GRAY : Would an assessment not be fairer on the total capacity of those plants as compared with their capacity in 1942 ?

The CHAIRMAN : You mean that they might have shut down part of their combing plant ?

Mr. GRAY : I do not say that that is being done but they could have closed down part of their combing plant and during later times they might have purchased tops from topmakers in order to increase their output. 40

The CHAIRMAN : I think that obviously is what is being done.

Exhibits.

Mr. MICHELL : I do not think so. I think Mr. Wilkinson's explanation is nearer the correct explanation. In our own business production has fallen but the total hours worked has not fallen. The fall in the production is largely due to the different types of wool which we are producing now as compared with those which we produced two years ago.

V.
Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

The CHAIRMAN : What would be the percentage drop in your output for that reason ?

10 Mr. MICHELL : Ten per cent.

The CHAIRMAN : The figures which I am quoting to you represent twenty-five per cent. of a reduction.

Mr. MICHELL : What Mr. Wilson mentioned would account for half of your twenty-five per cent.

Mr. GRAY : In our case it has dropped twenty-five per cent.

Mr. WILKINSON : On account of going from crossbreds to merino ?

Mr. GRAY : Yes.

20 Mr. WILKINSON : There are three reasons for the decrease in production. First there is a shortage of labour ; secondly, there is the cutting out of Sunday shifts ; and thirdly, there has been a swing over from crossbreds to merino. I do not think any mill wants to reduce the amount of tops if they can get the labour to run their own machinery. I think they want to increase their output but they cannot get the same quantity of merino wool as they got of crossbred through the same plant. The employees became tired of working on Sundays and now that peace has come they will not work Sunday shifts, and I do not blame them for that. Seven shifts each week is too much.

The CHAIRMAN : That is true.

30 Mr. HAMILTON : It has been stated that the type of labour that you have in the mills is not producing the amount of tops produced by an equal supply of labour in pre-war years. They say that the present labour simply will not work. Is that so ?

40 Mr. WILKINSON : There is more absenteeism and for that reason the cards will stand idle. Instead of working six shifts every week we might only work four to five. At present there are more cards standing idle through people not coming in to work them than before. There is a difficulty in obtaining labour of any kind. New labour is unskilled, and then there is a lesser production of merino as compared with crossbred. In addition to that there is the factor of the discontinuance of Sunday shifts. I think every mill desires to turn out the maximum quantity of tops if it can get the wool, but the wool position is also bound up in this question. especially does this apply in regard to 60s. and 64s.

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Mr. MICHELL : There is another point. We have experienced a very serious drought and all our tears are down. Just what difference that makes I do not know, but it must make an appreciable difference. Where the tear used to be 8, it will now probably be down to 7 or $6\frac{1}{2}$.

The CHAIRMAN : Of course you will notice that some manufacturers have increased their output of tops. Some have increased their output, others have reduced it.

Mr. WILKINSON : They may have put in extra plant.

The CHAIRMAN : As I see it, it is impossible to generalise as to the reason for the decrease. 10

Mr. GRAY : The labour position apart from the change-over from crossbred to merino is the main cause of it.

The CHAIRMAN : Would it be unjust to give preference in the supply of tops to a manufacturer who has no topmaking plant ?

Mr. BLACKBURN : I think that is the natural thing to do. That is the usual policy of the topmaker to give preference to the spinner who has no combing plant, wherever he possibly can. The spinner who has no combing plant is a permanent purchaser of tops.

The CHAIRMAN : Do we do anything in connection with that ?

Mr. HAMILTON : With the co-operation of the topmakers we suggest 20 that should be done.

Mr. GRAY : Would that operate to the detriment of a manufacturer who is a part comber if another man who did not have any topmaking plant increased his plant for manufacturing or employed a greater number of employees on the manufacturing side ? If tops were diverted to a man in that position, could the result be detrimental to another man who has some combing plant and who on account of not being able to get sufficient tops would have to put off some of his employees, supposing always that his own plant were working to its full capacity. Would he not be entitled to a reasonable share of the tops available particularly if he could obtain 30 more employees to increase his output ? The question arises whether he would be entitled to some reasonable proportion of additional tops to enable him to expand. Taking a long view I feel that it is in the interests of Australia not to encourage too great an increase in spinning plant. I feel that the export business which is so easy now will not last for ever and if we do something to encourage the introduction of more combs—because we are part combers and cannot get our tops from local topmakers—that I think in itself would also be detrimental in the end to the interests of Australia.

The CHAIRMAN : There would be no justification for penalising a 40 spinner who was a comber if his combing plant was working to full capacity.

Mr. YEO : That raises a very important point. It has special application to the re-establishment of overseas business and the extension of overseas business. If the general opinion is that the overseas business is not or will not be of lasting benefit the problem becomes a temporary one only and is much easier to settle.

Exhibits.

V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

The CHAIRMAN : The discussion is going along these lines. It amounts almost to the suggestion that a manufacturer who is not working his combing plant to capacity and is at the same time buying tops, not only has he a weak claim to those tops but he has no claim to the export
10 of finished goods. The purpose of leaning towards and giving him, rather than the topmaker, the benefit of the doubt is because he gives more employment than the topmaker. But the trouble today is not to find jobs but to get the labour for the jobs that exist. So that if spinners who are also topmakers would transfer part of their labour from the later stages of manufacture to the combing plant they increase their output and they would be doing a lot to help themselves. They would not be so dependent on the topmakers.

Mr. WILKINSON : You could not get any labour to go from one department to another. They will not go even from one section in their
20 own department to another section. They will not go into the combing mill from the drawing or spinning. They just loaf.

The CHAIRMAN : Then how do they get where they are? If a spinner is now turning out less tops than he did before, that assumes that he has lost labour. Apart from the other points mentioned we can assume that he has less labour now than formerly because there is evidence that there is less labour employed in the combing side than there was a few years ago. Now what I should like to know is if that labour has been transferred to the other section of the industry.

Mr. WILKINSON : The labour has left.

The CHAIRMAN : It is harder to get labour for combing than for
30 say, drawing or spinning?

Mr. COGHLAN : I should not think so.

Mr. WILKINSON : You cannot get labour for combing whereas you may get it for drawing or spinning.

The CHAIRMAN : Is drawing and spinning easier?

Mr. WILKINSON : Much easier.

The CHAIRMAN : Mr. Coghlan thinks not.

Mr. WILKINSON : The employees do not like the heat and the machines going all the time in the combing.

Mr. KELLETT : Our experience has been that although our mill
40 has been working seven nights and seven days per week we have had to buy tops. We see that our combing is kept going constantly.

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Mr. GRAY : I think we will never get anywhere unless we face up to the fact that it is our duty to do that. The difficulties can be overcome if we set our minds to the problem.

Mr. COGHLAN : I think that is the position.

Mr. YEO : Does not the discussion boil down to this. The general view is that the future of the combing trade will depend largely on the local demand. If that is so the only tops which should be allowed to be exported are the surplus after the local demand has been met, subject to the adjustment as mentioned in the earlier discussion concerning the prices of the exports.

10

The CHAIRMAN : Yes, with the proviso that manufacturers who are neglecting their combing should be required to increase their output of tops.

Mr. YEO : I admit that.

The CHAIRMAN : If those manufacturers are buying tops freely they must not be regarded as having as great a claim as spinners who are not combers at all.

Mr. WILLIS : I must say I think there is a possibility in some cases where woollen and worsted operations are both carried on in a mill there may be some leakage from the combing to the woollen cards. That may be a contributing factor to this position.

Mr. McDUGALL : I would not think there would be much of that.

Mr. WILLIS : I am inclined to think so. Woollen production is going up and tops production dropping in some mills.

Mr. WILKINSON : The reason why woollen production is going up is because it is done by male labour and you can get male labour to a certain extent now but combing has been a female labour job. However it is gradually changing over to a male labour job.

The CHAIRMAN : I was in a combing plant recently—a plant which is working five and a half or six days per week—and there was not one woman in the place, except the girls in the office.

Mr. WILKINSON : It is changing over to male labour now.

Mr. KELLETT : We are changing over to men because we cannot get the women. It is better to pay men than to have machinery idle. You would lose more by having the machinery idle than by paying the male labour rate.

Mr. WILKINSON : I would like to ask Mr. Kellett a question. Can he send his female labour from his spinning and knitting into the combing ? Will they go ?

Mr. KELLETT : We have never had to do that. When the industrial officer interviews new girls they are sent to the department in which they are needed. We do not transfer them back to combing if they are started in some other section. There is no difficulty in running carding and combing seven days a week if you have both the male and female labour. If we cannot get women we would put on men rather than have machinery idle.

Mr. WILKINSON : Do you say you cannot get the women to change from one section to another ?

10 Mr. KELLETT : We do not ask them to do that. But down in the mills we can change them from winding to twisting and reeling. There is no difficulty in that way.

Mr. BLACKBURN : I did not know that the discussion would take this trend. But this may indicate to some extent the position regarding labour. There is a spinner-knitter starting a section in Williamstown. He decided to start that section being under the impression that there was plenty of labour available because there are combers in Williamstown who travel to Brunswick. I assured him that female labour was difficult to get. He thought he would be able to employ all the girls he needed
20 from Williamstown. But the tendency is that they do not like the work and they transfer to something else less noisy and where there are better conditions and where there is not so much heat. I feel what has happened is that it has been easier to extend the spinning plant than the combing plant in factories. You cannot extend the combing without extending the carding and you cannot extend carding without corresponding extension of scouring. The easiest way to get more yarn has been to expand the spinning and to procure more tops from the topmaker.

Mr. YEO : It has been quite apparent for some time that spinning capacity has increased but that topmaking has not increased to any extent
30 at all. At least it has not increased in the same ratio as spinning. When you say it is easy is it easy to get the plant ?

Mr. BLACKBURN : I should say it would involve less capital and it requires less space.

The CHAIRMAN : This is not an easy problem to solve but I think we have to try to do that. This Commission and Mr. Hamilton have the worry of trying to see that the spinners get the tops which they need. At the same time the topmakers are becoming increasingly worried about the still further inroads on their export business.

Mr. MICHELL : You have directed a certain question to the top-
40 makers in Melbourne and Adelaide. I was wondering what is the position in Sydney. I believe there are a few topmakers there. Are they in a similar position to the topmakers in other States ?

Mr. YEO : There are two Sydney representatives here, Mr. Wilkinson and Mr. Coghlan. They might enlighten us on the position there.

Exhibits.

V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Mr. MICHELL : I feel that the local trade has not enough tops for spinning. We also know that the topmakers in the South are supplying a very big proportion of the tops for the local trade. I do not know what the position is in Sydney and whether topmakers there are supplying a percentage anything like the percentage being supplied in the Southern centres. I was wondering if that has any bearing on the question because most of your questions have been directed to Mr. Blackburn and myself.

Mr. HAMILTON : There is one topmaker in New South Wales but he is supplying local mills in New South Wales and he is also supplying a portion of his production to a mill in Victoria. It is very difficult to get tops to Victoria from New South Wales. In fact I know one manufacturer who has been waiting for tops from the New South Wales mill for two months now and the tops have been lying, waiting to come down. 10

Mr. MICHELL : I had a letter this week from Mr. Vicars, a Sydney spinner. He said : " Now that we have more labour you must supply us with more tops." The position is that we cannot give him an ounce more. If he cannot get the tops from us I do not know where he will be able to get them from. There is nobody else in the Southern States who could supply him.

Mr. YEO : That involves the proposition which I put a short while ago. Is it the general opinion that for the future benefit of the industry in Australia the demands of local spinners must be met before any export of surplus tops is permitted. 20

Mr. BLACKBURN : In answer to that I should like to say I feel my board of directors would not allow me to agree to that proposition altogether because the business has been established with the idea of exporting in addition to local trade. We all want to get away from control but I think some compromise could be made. And if necessary some form of rationing should be adopted. The topmaker could be allowed to export a portion of his output. I think it is wrong that the poor topmaker should have that regulation put over him and that worsted spinners or worsted mills—I will cite such mills as Warrnambool, Yarra Falls and the Valley—should be allowed to export tops whilst the straight out topmaker should be debarred or restricted. 30

Mr. YEO : They would all come under the same rule—that no tops could be exported from Australia until the local demand had been satisfied.

The CHAIRMAN : Mr. Blackburn's point is a good one.

Mr. YEO : It is quite good. I am entirely sympathetic with it. But what I want is an expression of opinion whether it would be to the benefit of Australia and the future of the industry that the local demand is more important than the export demand which may be only temporary. In that case it would pay us to encourage the supply of the local demand in full and let the export be confined to the surplus over and above the local demand. 40

Mr. BLACKBURN : You appreciate the peculiar circumstances of our own mill—that we cannot help ourselves. We are producing tops which are being exported because they are not wanted in Australia. We cannot alter our plant.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Mr. YEO : I appreciate that. That would come under the exemption clause.

Mr. MICHELL : Mr. Yeo suggested that the export of tops might be because of a temporary overseas demand only but the export of tops has gone on for many years. The export of the finished material may be
10 temporary only.

Mr. YEO : The question is whether the local market will be more important for the future disposal of tops than the export market. The export market may or may not continue. My own view is that the topmaker in Australia will have to work very hard to hold some of the markets that he has today. There is no question about that.

Mr. McDOUGALL : You are referring particularly to fabrics and yarns ?

Mr. YEO : I regard the fabrics question as having been settled in the previous stage of the discussion. If there is an export of fabrics the
20 price will be adjusted with the topmaker.

Mr. McDOUGALL : The point I desire to make is that I feel a certain amount of exports will be necessary in order to keep production on a reasonable level.

Mr. YEO : You mean the export of tops ?

Mr. McDOUGALL : Tops and goods after the tops stage.

Mr. YEO : As far as goods are concerned, I do not think that is a problem. The problem at the present time is, I think, tops.

Mr. KELLETT : Yes.

Mr. YEO : It is purely tops. If we force the topmakers to supply
30 the local demand there would have to be that necessary adjustment in the price of the exported goods. There would have to be an adjustment with the topmaker.

Mr. MICHELL : Mr. Yeo commented on the statement made by Mr. Gray. I took Mr. Gray's remarks as meaning the opposite to the interpretation which I think Mr. Yeo put on them. I think Mr. Yeo meant that the future selling of yarn and finished product overseas was likely to be uncertain. I do not think the future shipment of tops overseas is nearly as uncertain as the shipment of future treated goods. I think that the potential world demand for tops will remain.

Exhibits.

V.
Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

The CHAIRMAN : I am inclined to agree with you. I think you have a chance there. What I think Mr. Yeo said was that you would find it difficult to retain in the post-war period some of the markets that exist today.

Mr. MICHELL : That would be so.

The CHAIRMAN : My own belief is that you will have a better chance of retaining your overseas market for tops than for the finished manufactures.

Mr. MICHELL : I think so.

The CHAIRMAN : I think there is a possibility of a very big world demand for goods up to the yarn stage particularly in India and China because if India and China come into this business and use wool to any extent they will not want it in any form more advanced than the yarn. 10

Mr. COGHLAN : As probably the oldest exporter of tops I can speak from experience in connection with what Mr. Yeo said. During the last war we exported mainly to Japan but owing to restrictions on the export of tops to Japan the mills there were starved of their raw material. Immediately they placed orders overseas for combs and very soon after the cessation of hostilities the top export from here disappeared. I am speaking of the first world war. Now what happened in this war is that shortly after hostilities broke out the export of tops to Canada was held up for some months. It was I think about January before the first lot of tops got away. In the meantime factories in Canada were starved for raw material. Their imports before the war were I think roughly 11,000,000 lbs. mainly of crossbred tops. Now as far as Canada is concerned which was our main market for the export of tops from Australia prior to the war, that trade has almost vanished. If we cannot continue to supply such markets as China, which was also a market before the war, and if we shut down on them, now that they are able to buy, that same position will occur again in that country. And gradually the whole of the export trade will disappear. That is taking a long view. 20 30

The CHAIRMAN : It is very important, too, because I really believe that a lot of this material which is being sent to the Middle East, that is the finished goods, is merely a short term demand which will disappear in a few years time. We are very anxious of course that China and India shall increase their use of wool, I gather that in China and even in India they will even hand-spin if they have the tops. It is a very crude method but there are a lot of people there to do it.

Mr. COGHLAN : The mills in India are controlled mainly from Bradford and I think you will find that your orders are coming from Bradford brokers rather than from other sources. 40

Mr. HAMILTON : To some extent.

Mr. COGHLAN : I do not look to India as being a very big market unless there is an increase in spinning in that country but I do look to

China to some extent and to Canada. I think we ought to endeavour to retain that trade rather than let it go altogether. The Chairman said that the Middle East demand is for material of the finished type but that it is only a temporary demand. The amount of tops produced in Australia before the war for worsted yarn was not very great, probably about 18,000,000 lbs. I think. Since then Seymours and Michells have increased their plant and their top capacity is now very much greater than it was pre-war.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

10 Mr. MICHELL : I feel I would like to repeat what I said earlier. I know your answer to it. But I do feel that with the freedom of prices some of those fears which Mr. Coghlan has expressed would vanish. I do believe that with the high cost of freight which will probably last for a few years and the increasing standards of living in the other parts of the world particularly in Europe, we should be on a more competitive basis than that on which we have been working. If we get too much control I believe that what Mr. Coghlan has just said will come to pass. If there is an open go I think we would be able to get into those markets and develop them. I also believe you would find other English topmakers would come to this country here instead of at Bradford.

20 Mr. COGHLAN : Experience of the past has shown that once a country puts in its own combs a duty is always placed on the import of tops. I am anticipating that that position will happen in Canada. In fact I know it is under way now. Applications have been put in for the imposition of a duty on the importation of tops but whether or not those applications will be granted I do not know. China today imposed a duty of 25 per cent. on yarn. Tops are free.

30 Mr. MICHELL : I would like to add to that point. Prior to the Japanese entering China some of our Bradford friends proposed that we join with them in establishing combing mills in Shanghai. If that sort of thing starts then it is "goodbye" to Australian topmakers exporting to those countries.

The CHAIRMAN : When you say it is "goodbye" it depends on the rate at which the demand grows.

Mr. MICHELL : Yes, but you have a precedent. Japan was in exactly the same position.

40 The CHAIRMAN : Yes. What would be the position if we quietly prevented the export of knitted goods? That would remove one part of the problem by automatically preventing that export. I have some figures which show that the Australian production of worsted yarn is about 20,000,000 lbs. a year.

Mr. COGHLAN : I think it was 40,000,000 lbs. in 1942.

The CHAIRMAN : It is about 20,000,000 lbs. at present.

Mr. COGHLAN : It has fallen by half. I should say counts and qualities would account for the decrease.

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

The CHAIRMAN : I have some figures here which show that 8,000,000 or 9,000,000 was knitting and 11,000,000 or 12,000,000 weaving. In addition about 5,000,000 lbs. was fingering yarn. There is a special provision for the export of 400,000 lbs. of worsted yarn to New Zealand. That is not all being sent at present but it will be sent eventually. There is no limit on machine knitted goods. The feeling was, when this information was given to me, that it was not a very great quantity but Mr. Hamilton points out that it is increasing very much. People are buying in all sorts of places and assembling the material for export. Then there was a special approval to export 200,000 lineal yards of worsted cloth to New Zealand and about 150,000 lineal yards of worsted to other destinations. That would be a total of 350,000 yards of worsted. It is not a tremendous amount for export but it is on the increase. If all of that were stopped, except anything in respect of which we were under an obligation to send to New Zealand, then of course there would be a good case for the topmakers to continue the supply to Australian manufacturers. If there were then a surplus at any stage that surplus could be exported. That is, a surplus of tops. Particularly if the export of tops and not of finished goods is not producing employment. Because the story at the moment is that you cannot get labour. 10

Mr. COGHLAN : That is the position at the moment but that may alter in six months' time.

Mr. MICHELL : I thought it would be rather embarrassing to ask this Commission to make a recommendation on such a matter because after all some of our Members are knitters.

The CHAIRMAN : Quite.

Mr. COGHLAN : Looking at it from a national point of view it would not be good policy to retard exports which help us to maintain our trade balance with other countries. We are knitters but we are doing very little export. You must look at the question from the national point of view. 30

The CHAIRMAN : Yes.

Mr. KELLETT : The trade balance might be on the adverse side in some countries to which you would be exporting.

Mr. COGHLAN : We might even go short ourselves in order to get some money into some countries where we needed it. It would be doing no harm.

The CHAIRMAN : As long as we would not be doing any injustice to the topmaker that might be good policy.

Mr. KELLETT : The injustice would be in the combing that is where plants are not being worked to capacity. I refer to those cases where manufacturers may be diverting labour from combing to spinning and drawing and lower down the factory. If they could be made to work their 40

combing machinery to capacity that, I think, would solve a lot of your problems. In regard to the proposal that comber-spinners should not be permitted to buy tops from a topmaker unless they worked their own machinery to capacity, we increased our plant by about 30% on the recommendation of the Department of Supply and Shipping who wanted yarns and cloths for the troops. We would not sit down and let that plant stand idle just because our combing was not sufficient to supply all the frames. The plants are down now, and they are screaming out for tops. I consider that new plant which is not running should not be started until some of the old plant which was brought in specially for war purposes is fully worked.

The CHAIRMAN : The point raised by Mr. Kellett causes me to mention the problem of the Wangaratta Woollen Mills. I suppose some of you have heard of their problem. They are putting in new plant.

Mr. YEO : Drawing plant.

The CHAIRMAN : And they are wanting tops. If they do not get the tops they want there will be an outcry.

Mr. KELLETT : When was that plant ordered ?

The CHAIRMAN : I do not know when it was ordered but they are installing it now.

Mr. COGHLAN : The plant that we have put in at their request is standing idle—the spinning plant. We never had the labour to run it. We are 1,000 hands short.

Mr. KELLETT : We have £30,000 worth of plant still in the cases. We have left it there, because if we took it out, there would be no labour to run it.

The CHAIRMAN : What kind of plant ?

Mr. KELLETT : Drawing.

Mr. GRAY : If you increase this plant too much it would not be in the interests of Australia. I feel that whilst we must try to do something to improve the general position—to increase the spinning and give spinners preference because they happened to have increased their spinning plant, would not be altogether in the interests of Australia. I agree with Mr. Kellett that the old plant should not suffer at their expense.

I think we had too many spinners in Australia before the war, and I believe that the tops have a chance, but that the final yarn has very little chance. We will, if we encourage the installation of too much new plant, arrive at a chaotic position in Australia, with unemployment rife. I think it is bad policy on the part of the Government to encourage it.

Mr. COGHLAN : It is a very difficult problem ; it is something which will have to find its own level.

Exhibits.

V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

The CHAIRMAN : I don't want to start a discussion on that problem ; at least not to-day.

Mr. HAMILTON : I suggest that there are certain foreign manufacturers who are receiving tops and yarn and who are quite possibly exporting all their products.

The CHAIRMAN : Are those people in the Association ?

Mr. McDOUGALL : We do not allow them in. They may be members of the Chamber of Manufacturers, but we, as an Association, are an Association of, shall we say, selected members.

The CHAIRMAN : I do not know what to do about this but I think 10 some attempt will have to be made to ensure a financial adjustment with the topmaker in respect of goods subsequently exported. That is one thing. But as Mr. Michell quite clearly pointed out that is very nice in its way but it is not the solution that we are looking for. The solution that the topmakers are looking for is that they should have greater opportunities to export all their commercial orders.

Mr. MICHELL : That is so.

The CHAIRMAN : I take it we will attempt to work out something along those lines for a financial adjustment with the topmakers.

Mr. COGHLAN : Could we see a copy of that ?

20

The CHAIRMAN : I would like to see a copy myself. But some attempt will have to be made to evolve a plan and if we can work out something we will take it up with this Advisory Committee. Apart from that I think it is clear that there is an obligation on every manufacturer who is also a comber to work his combing plant to absolute capacity otherwise he will be putting an unjust burden on the topmaker. If that were done, that would automatically release some of the topmakers' output for export, would it not ?

Mr. YEO : Yes, and furthermore if this advisory committee would express its willingness to leave to the Commission the apportionment of 30 tops over and above those required for local consumption and by this Commission, on the understanding that preference for local supply would be given to those manufacturers who are making goods for local consumption and not for export, the Commission would endeavour by that means to allow the topmaker as much as possible for export. I can see that it would be impossible for a body like yours to come to an agreement on such a matter, and I think the only thing to do is to leave it in the hands of the Commission to deal with it as fairly as possible.

Mr. WILLIS : A further point in connection with the topmakers' side of the question is, it has been suggested, that the topmakers are 40 supplying a considerable quantity of tops for local consumption and that they are suffering financially on account of that. I am not quite sure

of that position but I should say that is fairly accurate. There is also a possibility of further relief being granted by the Government to topmakers who have been penalised in that way. I do not know whether that aspect has been in their minds and that they have been a little reluctant to supply because of that.

The CHAIRMAN : I am not quite clear on the point. Do you say, Mr. Willis, that there is a possibility of that ?

Mr. WILLIS : It has been suggested that the lower prices for home consumption have militated against the desire of topmakers to supply their output for local consumption. It is stated that the margin is not sufficient—the combing margin for tops for local consumption is too low to enable the topmakers to make ends meet and to show a reasonable profit. If that does happen to be so, I think there is reasonable ground for the topmakers in those circumstances claiming on the Government, and I think their claim would be considered.

Mr. MICHELL : I rather doubt if that position is quite as serious as the Prices Commissioner suggests. I think it is more a matter of having two prices at the moment. It is, of course, always very galling to see material going out at the lower price when somebody else is getting the higher price. If our figures are examined by the Prices Branch, it would probably be found that our margin of profit during the last year would be somewhere in keeping with what the Prices Commissioner would think would be a reasonable figure. But I think it is the other side of the question which has really brought this matter up ; it is our loss of overseas connections which is more important.

Mr. YEO : That comes back to the point which I raised. If the Commission were able to apportion the output of tops so that the export of the manufactured article would be decreased and the export of tops increased, that would go some distance in meeting the objection would it not ?

Mr. MICHELL : Yes.

Mr. YEO : If such a scheme were brought about, the topmaker would receive some financial benefit. When we come to auctions, we may have to lose some or use some of it. I am wondering how much we are likely to get to use in an auction sale.

The CHAIRMAN : I do not follow that. I think this problem which we are discussing now will be just the same after auctions commence. It will not change until price control goes.

Mr. YEO : Quite.

The CHAIRMAN : That is my feeling. The intensity of it may alter, but not the principle. The problem which has also worried us is the problem associated with price control. If price control were lifted, we would not be looking at each other at this moment.

Exhibits.

V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.

V.
Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

Mr. COGHLAN : We would all be happy.

The CHAIRMAN : I used to think I would not worry about anything once the war was over ; but looking back, it seems a happy time.

Mr. COGHLAN : I would like to raise a point in connection with the export of tops. There have been only a few of us in that game over the years, and they should have some preference in retaining their markets, they should be entitled to some preference over other people who never did any export, or who have been doing it only in recent times in order to get much needed revenues. That is what they do at Bradford. There has to be some quota. A firm must have had some pre-war business in 10 exports before it could be granted an export quota.

The CHAIRMAN : I do not think that is unreasonable.

Mr. WILKINSON : I think Mr. Willis's idea is a very good one. It would help people like ourselves to sell some tops in a small way, where we have had to change over from female to male labour. That has increased our conversion costs to a considerable extent. The prices fixed do not provide a margin which is worth-while, which makes it worth our while to sell tops. There is so little in it as compared with the export trade. I think it would be a good scheme to increase the conversion charges. 20

The CHAIRMAN : I think what Mr. Willis said was an indication of his intention to look into that.

Mr. WILLIS : Yes ; we will give it some thought because it is known that in some districts the local price is exceedingly low at present. There is such an acute variation in labour that what might be right in one State might not be right in another State at the present time.

The CHAIRMAN : That is a fairly definite statement by Mr. Willis on that point. Now, we will give consideration to the working out of a plan which would apply voluntarily in regard to the price adjustment about which he talked. I suggest, as did Mr. Yeo a while ago, that you rely on 30 the Commission to look into this problem of the tops and endeavour to work out a plan which would be equitable to topmakers in regard to the adjustment when the tops were exported.

Mr. YEO : I think we must have regard to the position under which new markets have been established, and give topmakers some opportunity to retain those markets.

The CHAIRMAN : Finally, I would like to say this to Mr. McDougall : I think it would be necessary for this Commission to indicate that combers who are also manufacturers of the articles at subsequent stages of manu- 40 facture should elucidate their position and endeavour to ensure that those who have combing plant which is not being worked to full capacity, should bring it up to capacity as quickly as possible in the national good. We might have to take the line that, where a spinner was not using his top-making plant to capacity, or in our opinion, was not making an effort to do

that, we would have to consider the allocation of tops. We would have to put him low on the list in the allocation of tops from topmakers. If we all earnestly set our minds to those problems, and if the spinners who are also topmakers look at this matter earnestly with a view to seeing what they can do, they will be helping a branch of their own industry to retain some part of its export trade. That will fortify us in asking the topmakers to continue to supply Australian needs. That is where we seem to get to. It is not absolutely conclusive, but I think we have made some progress in this discussion. Unless anybody wishes to say anything further on this subject, I would
 10 like to let it rest at that, because we have a few other matters to discuss with you.

Mr. GRAY : I do not think that spinners should be allowed, if they are doing it at the moment, to build up stocks of tops from topmakers, but that they should be permitted to purchase only such quantity of tops as is vitally necessary for their spinning.

The CHAIRMAN : There are two further matters which I wish to discuss with you. One relates to the labour question, and the other to the proposal regarding the setting up of an Export Corporation.

EXPORT CORPORATION

20 The question of the Export Corporation is not a matter for this Commission, but I am concerned in it because I am advising the Department of Commerce on those matters.

As manufacturers you will know of the proposal that there should be set up an Export Corporation sponsored by the Ministry of Post-War Reconstruction. The proposal is that there should be a Corporation with a joint membership representing the Government and the manufacturing industries concerned. It is proposed that that organisation should explore opportunities for exports, that it should employ specialists in various lines to visit other countries and actually to get orders for goods of various
 30 types ; and that they should then pass those orders to the corporation which would hand them around to the manufacturers concerned.

I am not expressing my own views on the matter. The Government considered the proposition which was put up by the Ministry of Post-War Reconstruction, and the Government decided to ask that it be explored with the manufacturers. It was discussed several times in the Export Advisory Committee, and I take it that you know something of it.

Mr. McDOUGALL : Yes, we do know something of it.

The CHAIRMAN : In the Export Advisory Committee, the manufacturers' representatives unanimously opposed it, and so did the export
 40 group. Yet the Government felt somewhat disappointed and asked that the matter be further explored particularly with the Wool and Textile group, and with the whole range of the engineering industries of Australia. The Secretary of the Engineering Division is conferring with the engineering groups, and I undertook to put the matter to the Manufacturers' Advisory

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Committee to seek their views on it. I told you of it in my letter, and, as I said, I think most manufacturers who are in touch with the Chamber of Manufacturers must have known of it for some time, not in detail, perhaps, but at least in principle, and in sufficient detail to enable you to express a view on it. I undertook to ascertain for the information of the Export Advisory Committee whether you would tell me the views of the Woollen Textile industry.

Mr. McDOUGALL : On Monday afternoon we had the benefit of our Federal Executive's view on this matter. Generally speaking, they are opposed to the Government's scheme. I do not intend to go into it in any great detail except to state that they feel that this particular industry can best be served by men who know the trade, whether that be done by manufacturers who export directly, or through established export houses. At the same time, we feel that the present set-up of Trade Commissioners could be strengthened, that is, as regards getting more information concerning the possibility of doing business or extending business in different countries. The export industry of Australia could, I think, be helped in that way. The financial arrangement as regards credits has not been sufficiently elaborated. It is really in the air at the moment, and I do not think we ourselves can express any views very clearly on that, as we do not know exactly what it is. I do not think sufficient information has yet been made available on that proposal. I think at the present time all necessary financial arrangements can be made. Probably most of the financial arrangements are based on cash against documents, or against letters of credit. That, of course, is simple enough. In the past, the banks have always made the necessary arrangements for those people who did export business. 10

Generally speaking, we are opposed, first of all, to the scheme in regard to the Government setting up an agency business. We feel that can best be handled by men who know the trade in the various countries. Secondly, we cannot give any real decision concerning the financial arrangement, that is, as regards credits, until we know more about it. 30

The CHAIRMAN : Would any Member of the Committee like to express a view ?

Mr. COGHLAN : I assume that in the case of the financial scheme it is intended to be something more on the lines of the British scheme which operated after the last war.

The CHAIRMAN : In regard to the export credit guarantee ? I studied that in England in 1938, and I concluded that it was not applicable to Australian conditions for the reason that it is worked on a fairly low premium, because of the wide range of goods which would be regarded as coming within the scope of the guarantee. But, so far as Australia is concerned, nearly the whole of our export consists of a major commodity where there is no call for any such form of guarantee. I came to the conclusion that it was too limited in scope to be of much use for the type of business we were considering. We were really looking for a plan which would give a guarantee in respect of exports of manufactured goods to countries where Australian manufacturers would be nervous about 40

recovering the money, and the buyers overseas object to the irrevocable letter of credit and that sort of thing. We were looking for a guarantee system which would help to stimulate export trade, but I came to the conclusion in 1938 that it was not applicable to our conditions. This is a revival of it. The idea is that the Commonwealth Bank would institute a system of export credit guarantee, and the stipulation that the manufacturers and the representatives of the Chamber of Commerce made was that it should not be utilized to enable people of no account to come in and compete with people who were already exporting the same class of goods successfully in the ordinary commercial way. So they are going on with the export credit guarantee arrangements, but that was not part of the subject which I referred to you. The matter which I referred to you is that to which you have already replied—the Export Corporation.

Mr. McDOUGALL: Is that distinct from the guarantee?

The CHAIRMAN: Yes. The Export Credit Guarantee is something which is being done by the Commonwealth Bank. I do not think you will find any reference to that in my letter. It is the Export Corporation on which I wanted your views. Now, does any other Member of your Committee wish to say anything on that subject, or may I take the view expressed by you, Mr. McDougall, as fully expressing the views of your Committee?

Mr. McDOUGALL: It expresses the views of my Committee as regards the agency business only.

The CHAIRMAN: Well, thank you very much. We can regard that as a full consultation. You have had a chance to consider it, and there is no likelihood that members of your organization who were, perhaps not present at your meeting, would take a different view.

Mr. McDOUGALL: I refer to members of the Executive, not to the whole of our members.

The CHAIRMAN: Members of the Executive of your Federal organization?

Mr. McDOUGALL: Yes, and I think that is pretty well in line with the reply given by the Chamber of Commerce.

The CHAIRMAN: Thank you very much.

LABOUR FOR MANUFACTURERS.

The CHAIRMAN: The next question relates to labour, although I think we have talked it over already. What is the view of your Committee, Mr. McDougall, in regard to this difficult question of labour?

Mr. McDOUGALL: It is difficult to get to the real cause of it, but I think I would be expressing the views of most people when I say that practically all industries who employ female labour are in the same

Exhibits.
V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

position. The same problem applies in other industries such as foodstuffs, boots, shoes and textiles. It applies in any industry employing females. I would not say there is any extreme difficulty in regard to male labour. Quite a number of people are applying for jobs in the mills but they are not all suitable. The female position is deplorable. It does not seem to be a question of money. It is not wholly one of money. I am expressing my personal view when I say that some of it is due to the fact that returned men are coming back with fairly full pockets, and probably their lady friends are enjoying the benefits of that, and will continue to do so until they again feel inclined to work. Then again, a large percentage of the female labour employed in the mills comprises married women, many of whom worked part-time shifts. Again, many girls have since married and left the industry. It seems a rather crude thing to say, but I do not think there will be any real improvement in the female labour position until there is a shortage of money. I do not know if that should be noted. 10

The CHAIRMAN : Everyone to whom I have spoken has told me the same thing. I do not think there is anything wrong in that.

Mr. McDOUGALL : I do not think they are generally any worse off than some of the other industries.

The CHAIRMAN : What about the wage level. 20

Mr. COGHLAN : I do not think that matters.

Mr. McDOUGALL : I do not think it is of very great importance in that the higher the wage the greater is the tax reduction. Another matter is the female minimum wage regulation which has increased wages in various industries from a minimum of £3.5.0 to £3.15.0.

Mr. COGHLAN : At one time we used to have a waiting list. That was the position in the olden days. There was never any shortage of girls. The same position applies in the Tobacco companies. They are all short of labour. I had a ray of sunshine yesterday and also this morning, when I went into a retail shop. I was told that during the last fortnight they have received enquiries from quite a number of girls seeking employment. It appears that the girls are coming to the shops with a sudden spurt. 30

The CHAIRMAN : Perhaps it is the commencement.

Mr. COGHLAN : I think it is the usual thing that girls seeking employment will go to the shops first.

The CHAIRMAN : Mr. Coghlan's remarks seem to indicate that the position is now beginning to change. If there is anything we could do about it, we would do it.

Mr. COGHLAN : In the more highly skilled sections of our trade, that is the weaving and sewing, the wages paid are fairly high. They would average £6 per week or thereabouts. We can get weavers because it is a 40

nice job away from the noise and in good light. There is no strain on the eyes, and I suppose that is a factor. And women are keen on sewing. If you cannot get girls for £6 a week, you cannot get them at all. So I do not think it is a question of wages or conditions. But for the reasons which I mentioned I think the labour position may now be beginning to show a change.

10 The CHAIRMAN : I suppose it could be easily checked up statistically. It has been suggested that the number of young women coming into the industry has decreased due to the low birthrate during the depression. There may also be a difference in the ages at which they are entering the industry.

Mr. COGHLAN : I saw some figures published recently in Sydney showing that there are about 100,000-odd more females from rural districts in the textile industry today than pre-war. If that is correct, I should like to know where those 100,000 people are.

20 Mr. WILLIS : Figures covering a period of six months last year have been compiled and are available if you would like to see them. They cover the entire spinning industry, and are fairly representative of conditions not only in spinning but in weaving and cotton spinning. They seem to support most of the points mentioned in our discussions here. When we questioned the trade union leaders in connection with it, the views they expressed tended to show that not only were employees going out for reasons mentioned, but they were going out of the actual mill industry. While there was such a demand for female labour of all types, the girls continued to go to the retail stores or to other types of work not characterised as factory work. That appeared to be as important as any of the other reasons. It is a psychological factor, and, as Mr. McDougall said, it would only be a deterioration in economic conditions which would bring them back, especially when there is such a shortage of the younger junior girls pending demobilization from the forces.

30 Mr. McDOUGALL : Another point is that where the school leaving age is 15 the age at which girls may come into the factory is of course 15 unless there are some very special circumstances in which a permit may be given by the factory inspector for the employment of the girls at an age under 15 years. But you can understand that if a girl who leaves school at 15 years of age goes into a shop she will not later go into a factory. We have put it up to the Education Department.

Mr. WILKINSON : The school leaving age is going to be put up to 16 in Victoria.

40 Mr. McDOUGALL : It is not a matter of suggesting that the school leaving age should be kept at 15. It is a matter of putting us on the same basis as other industries. We find that there is such a shortage of female labour that in some spheres of employment where there is no restriction on wages which may be paid employers are offering ridiculous figures to any juniors at all. I understand that in many places, juniors, both boys and girls, are almost getting adult wages. Another factor is I think that there may be a tendency for schoolteachers or those in charge of the children

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

to direct them to shop work or other positions rather than to the factories which perhaps they regard as being *infra dig.* It is a case I think of educating the children and probably also the teachers to the advantage of more or less permanent employment in textiles.

The CHAIRMAN : What is likely to happen in regard to this substitution of male labour for female labour ? Will that be permanent or will that change again as soon as the girls are available ?

Mr. KELLETT : I am hoping it will change when the girls are available because if you get in girls you can bring them on to better jobs but if you put on men you cannot train them for other jobs. If you bring the young girls in at the age of say, 15 years, and start them on menial jobs you can pass them forward to better jobs where they can earn £5 a week. But if you put on a man you cannot turn him all over the factory. 10

Mr. McDOUGALL : Nimbleness of fingers is essential and you cannot get that from the average man. The girls are better for certain types of work.

The CHAIRMAN : I take it there is no special step which we can take to help you. Each mill has to struggle for its own labour.

Mr. COGHLAN : I think time will rectify things.

Mr. McDOUGALL : There is another suggestion which is encouraging. That is that a certain amount of immigration of females is to be encouraged particularly those accustomed to the textile industry. 20

The CHAIRMAN : I am afraid that will not come about immediately even if it is only on account of the shipping position.

Mr. COGHLAN : Housing is another factor. People are unable to come down from the country districts because they are unable to secure accommodation. We receive requests asking us if we can arrange for accommodation for girls who would like to come to the city for work. A lot of things are interwoven in this.

The CHAIRMAN : All right gentlemen, I do not think we can go any further with that. 30

EXPORT OF PROCESSED WOOL.

Mr. COGHLAN : I would like to bring up a matter in connection with the re-starting of our carbonising plant. The greater part of the plant was closed down during the war and we are just starting to re-contact our clients overseas. We thought that possibly carbonisers and combers would be put on the same basis as in England, that is that their clients overseas are regarded as their prerogative and that they are not open to other folk as may be their competitors. We have to furnish returns to your Commission, giving the information that you require, but that is only in connection with the wool, stating to whom we sell it and the quantity 40

of the production. But it is not of great interest to you. As long as we give you the particulars required, including the country to which we are sending the wool, that should be sufficient.

The CHAIRMAN : That is hardly a matter coming from this Committee to the Commission.

Mr. COGHLAN : I think our Committee has deliberated on this.

Mr. MICHELL : I should like to support Mr. Coghlan. The idea was forcibly brought home to me when a certain officer of the Central Wool Committee who claimed he had knowledge of these things came to a friend
 10 of mine and asked if he would employ him in the postwar period. The person to whom I refer said " I have all sorts of information. I have the names of people all over the world, of people who are potential buyers. I would be invaluable if I came to you as an employee." If there is any truth in that sort of thing we would like to see that it is not extended on the scouring and carbonising side. It has already been done as far as wastes and topmaking is concerned. I do not think there is very much value attached to it. I think it is more a talking point on the part of that particular officer.

Mr. YEO : I should say that an officer who spoke like that would not
 20 be worth employing by anybody.

Mr. MICHELL : My friend did not employ him.

Mr. YEO : So far as the processors are concerned we have reached the position that we are practically no longer interested in their export business. They are now allowed to buy greasy wool and make the product and sell it provided they are sure that the country to which they propose to sell allows the import of that product. We are not concerned because they pay sterling and the rest is theirs.

Mr. COGHLAN : As long as that is the position I am satisfied.

Mr. YEO : A processor may sell his product overseas. We are not
 30 interested as to where he sells it. But they must take that risk. The processors must realise that the wool is sold for export overseas and the product must be exported. It cannot be brought back and put on the floor for sale. It must be sold to an overseas buyer.

The CHAIRMAN : Do we receive returns of that ?

Mr. YEO : No we are not interested. The only thing is that if you happen to obtain sterling from the Commonwealth Bank they will want a reimbursement of the sterling within a stipulated period.

Mr. COGHLAN : That was not the position in the past with tops.

Mr. YEO : No because we received orders for the processed article.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

Exhibits.

V.

Notes of
Meeting
between
Australian
Wool
Realization
Commission
and The
Advisory
Committee
of Wool
Manu-
facturers,
19th and
20th March
1946,
continued.

Mr. KELLETT : It was necessary in the past but it will not be necessary in the future.

Mr. YEO : You will be free to buy the greasy wool and sell your product. If we get sterling for the greasy wool we are finished with the transaction.

Mr. COGHLAN : There is another point, that is in regard to wool which we are now buying against overseas commitments. When auctions are started after June next we will still be permitted to export that wool ?

Mr. YEO : You will still be permitted to export if you buy the wool from this Commission. 10

Mr. COGHLAN : In the form of tops ?

Mr. YEO : If you have paid the appropriate prices.

Mr. COGHLAN : I was referring to wool which we have already bought, combing wool, for which we have to pay Australian price. When we export that wool in the form of tops we have a certain surcharge to pay on the flat rate. After the 30th June when auctions are recommenced we would only expect to pay on the wool purchased prior to the 30th June at the same rate as that which we are paying today.

Mr. YEO : It all depends on what rate you are paying, whether it is wool purchased before the 1st November last or after the 1st November. 20
If you are referring to wool purchased subsequent to the 1st November you can export it. The only rebate will be the subsidy paid by the Commonwealth Government.

Mr. COGHLAN : In respect of wool purchased prior to 1st November ?

Mr. YEO : The position in that case is different because you are not entitled to the profit. The reason for that is that you did not pay world parity prices for that material. We will take over the tops produced from that wool in the same way as we have always taken them over and we will allow you so much on it. As you did not pay world parity prices for wool purchased prior to the 1st November you will not be allowed to get the 30
world parity on export. Those tops will be dealt with in the same way as we have dealt with tops up to the 1st November last.

Mr. COGHLAN : So you will take over these tops ?

Mr. YEO : Yes, but in regard to transactions subsequent to the 1st November all the profit is yours. The only drawback will be the rebate which the Commonwealth Government has paid.

Mr. COGHLAN : But in respect of the other wool we would still pay that extra rate.

The CHAIRMAN : You are referring to the surcharge ?

Mr. YEO : It is the increased price on the raw material which must be paid on wool purchased up to the 1st November.

Exhibits.

Mr. COGHLAN : Would there be any objection to our advising the Association ?

V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

Mr. YEO : There is no objection to your advising the Association. The position is clear-cut.

The CHAIRMAN : We will inform the Association.

Mr. YEO : I understood that some communication had already been sent.

10 Mr. WILKINSON : I should like to have it.

Mr. YEO : I understood that we circularised the topmakers setting out the position as at the 1st November.

Mr. HAMILTON : Yes.

Mr. YEO : It was a very clear and concise circular.

Mr. COGHLAN : But what is the position after the 30th June ?

Mr. YEO : That will not interfere or amend in any way the circular sent to the topmakers. If you bought wool prior to the 1st November and exported it before the 30th June the same conditions apply. It would still be wool bought before the 1st November and it would be wool for which
20 you did not pay world parity price.

The CHAIRMAN : If people are buying wool from say the growers and it is not coming up for appraisalment—

Mr. COGHLAN : I did not think anything of that kind could be done.

The CHAIRMAN : Not according to law but if anyone thinks he can do it he will not get any concession on that line.

Mr. YEO : All wool purchased by manufacturers and topmakers prior to the 1st November came within the exclusion clause of the original arrangement. That wool was not purchased by the British Government.
30 It was acquired by the Australian Government and sold to manufacturers in Australia at the Australian price. Any person who exported that wool or the tops made from that wool would not be allowed to take the overseas prices for the export. That belongs to the Commonwealth Government.

Mr. GRAY : What happens in regard to wool bought between the 1st November and the 30th June and tops made from that wool ?

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

Mr. YEO : The Commission will not take any profit on that but at the point of export the amount of subsidy paid by the Commonwealth Government at the time the wool was purchased will have to be refunded. In other words a refund of an amount necessary to bring the cost of the raw wool up to the official issue will have to be made.

The CHAIRMAN : Is that clear ?

Mr. GRAY : Yes but I am not clear on the other point. Suppose that under auction conditions you desire to export yarn and you have to quote. You purchase your wool at auction in the normal way but unlike Mr. Coghlan's example we could not designate prior to that what wool would be used for export. You would have purchased the wool and received a subsidy on it and you desire to quote. Would we have to apply the export loading ? 10

The CHAIRMAN : You would quote just as if there were no subsidy at all. You would calculate your average buying price at auction and you would prepare your overseas quote on that basis.

Mr. YEO : The Government will not pay subsidy on any wool exported either in the raw state or the manufactured state, so if you carry on export you would have to quote on the prices at auction.

Mr. GRAY : And there would be no export loading ?

20

Mr. YEO : You would have paid your export price in the raw material. No subsidy will be paid in respect of wool bought for export. If you receive a subsidy at the time of the purchase of the wool that subsidy must be refunded to the Commonwealth Government at the point of the export of the wool.

Mr. GRAY : I see.

Mr. HAMILTON : Certain topmakers have had exports of wool purchased after the 1st November, and they are quite aware of the position.

Mr. YEO : We are not taking any profit on wool purchased after 30 1st November.

Mr. COGHLAN : After 30th June ?

Mr. YEO : After 30th June, we will continue until all the product of the wool purchased up to the 30th June has been exported or got rid of in some way.

The CHAIRMAN : There will be an interim during which you will be exporting the product of wool purchased from this Commission and at the same time buying wool at auction for export.

Mr. COGHLAN : We would have a credit with you to export so much.

The CHAIRMAN : The only problem is that interim period when you will be doing a bit of the one and a bit of the other.

Exhibits.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, *continued.*

PAYMENT OF SUBSIDY.

Mr. McDOUGALL : There are three further points which I would like to mention. The first one is in reference to the suggested subsidy which we discussed yesterday. I should like some assurance that the subsidy will be paid in full on the appropriate date and that it will not be subject to a balance sheet investigation.

10 Mr. WILLIS : We could not say for certain, but I think our recommendation would be that the subsidy should be unconditional, subject to the ascertainment of the average price, and that probably up to 80% or 90% of the amount of the claim would be paid if it were paid before the ascertainment of the average price, that is, if the ascertainment of the average was likely to take any time.

The CHAIRMAN : But once the average price was ascertained the subsidy would be paid absolutely.

Mr. WILLIS : Yes.

Mr. YEO : Thinking it over last night, there may be some difficulty in preparing the invoices. Would you be satisfied to work on the
20 Commission's yields.

Mr. COGHLAN : I should say yes, provided that if it were obvious that there was some discrepancy, that we could demonstrate that the combing yield was wrong, some adjustment would be made.

Mr. YEO : You must rely on the Commission's yield, otherwise we could not prepare the proper invoices. Are you prepared to agree the invoices be made up according to the Commission's yield ?

Mr. MICHELL : I should say that would be the only way to do it. But I do think there should be some proviso that if it could be pointed out that the Commission's yield was astray, some adjustment should be
30 made. It must not be overlooked that some of the top men who have been responsible for the valuing of the wool under the present scheme will be going out and the work will be carried on by the secondary men who might not be quite so reliable if they do not have an opportunity of checking their yields.

Mr. YEO : The Commission has already taken definite action to see that there is a proper correction of the yield placed on the wool by the Commission's valuers.

Mr. MICHELL : That is very reassuring.

Mr. YEO : The Commission's yields will be definitely checked at
40 frequent intervals.

Exhibits.

ADVISORY COMMITTEE MEMBERS—APPOINTMENT OF PROXIES.

V.

Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946, continued.

Mr. McDOUGALL: The next matter, Mr. Chairman, is the question of substitutes or proxies in the event of any members of this Advisory Committee being unable to attend a meeting. Do you propose that substitute members could be co-opted for that purpose?

The CHAIRMAN: I regard that as a practicable thing, if your Committee felt it would like to have such an arrangement. If you come to the conclusion that you want such an arrangement, you could let us know and I will put it to the Commission. I think it would be approved.

Mr. SNAPE: We would like to know, if possible, before the next meeting. 10

Mr. McDOUGALL: Because, as you will appreciate, difficulty is often experienced by members who have to travel interstate.

The CHAIRMAN: If you are agreeable to that, I think I can say that the Commission would agree to it. So you can take that as settled.

PROCEEDINGS AT MEETINGS—INFORMATION FOR PRESS—SHORTHAND TRANSCRIPTION, ETC.

Mr. McDOUGALL: The next matter relates to Press reports. I take it that the subject-matter discussed here is confidential. We would like a ruling on that. I presume that, of course, our industry must be advised 20 at some stage as to how things are proceeding. But I refer particularly to enquiries by the Press as only last night the Press got in touch with me and asked for information. I refused to give any information whatever. I felt that under the circumstances I could not do so. But I should like you to decide the matter so that everybody will know what is to be done.

The CHAIRMAN: Fortunately since I have come to the Wool Commission, I have never been worried by the Press.

Mr. YEO: We have never encouraged them.

The CHAIRMAN: I am so used to being chased by the Press that it has been a great relief to come here. But, on the point raised by 30 Mr. McDougall, I think we must regard all the deliberations of your Committee with the Commission or with Mr. Yeo and myself as absolutely confidential from a Press point of view.

We will supply you with notes of the proceedings at these meetings, but in their actual text they are absolutely confidential even within your own industry. Transcripts of the shorthand notes of the meetings will be supplied to you for your records, and I assume that the secretary of your organization will retain them. Any member of your Committee, that is, any of you gentlemen here, would be entitled to refer to that record, but we would ask that it should not be conveyed—that is, any part 40 of the verbatim—even to your own members. You are entitled to convey the sense of it to your members. In respect of this first meeting, I would

ask that until you get the notes from us and until we can look at it, when we would advise you in greater detail, as to what part of the discussion at this meeting would still have to be regarded as confidential for the present, there should be no disclosure of what has transpired.

We have discussed the basis for the payment of the subsidy and many matters relating to the relationship between topmakers and the subsequent manufacturers, and matters of that sort, which might be regarded as confidential for the time being, even to your own members. But, generally speaking, we would wish you to be in a position to inform your own members of the general sense of the discussions with us. We would, however, require the transcript to remain confidential to yourselves, and that no part of the verbatim be quoted even to your own members.

Mr. McDOUGALL : Do you desire that we wait until such time as we have received some confirmation from you of the deliberations here before we discuss it with our members ?

The CHAIRMAN : I myself would like to look at the transcript before I start doing anything with anyone else, and I think you had better wait until the actual transcript is before you begin to advise your members. I think that would be the wisest thing to do.

Mr. McDOUGALL : The position is that we know nothing until such time as we receive the transcript from you.

The CHAIRMAN : You have an obligation to us not to disseminate information regarding our meeting until you are supplied with a copy of the transcript. You will then have something on which you can base your circular to your members, giving your own summary of the proceedings, but not quoting verbatim from the record.

Mr. McDOUGALL : I think that is clear.

EXPENSES OF MEMBERS ATTENDING MEETINGS.

Mr. McDOUGALL : The next matter is that of the expenses incurred by members who have come from other States to attend these meetings.

The CHAIRMAN : I suppose you are a fairly wealthy association ?

Mr. McDOUGALL : All I wanted was a ruling from you. I do not say that every member will apply for expenses, but I think it is only right that there should be something for those who desire to avail themselves of it.

The CHAIRMAN : We have advisory committees of Wool Selling Brokers and Wool Buyers. I do not know that they have raised the point.

Mr. LEIGH : One organisation has, the other has not.

The CHAIRMAN : I should say that, as you are an official advisory committee appointed under the Act, and if you felt that members who are required to travel from other States in order to attend the meeting should

Exhibits.

V.
Notes of Meeting between Australian Wool Realization Commission and The Advisory Committee of Wool Manufacturers, 19th and 20th March 1946,
continued.

Exhibits.
 V.
 Notes of
 Meeting
 between
 Australian
 Wool
 Realization
 Commission
 and The
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 19th and
 20th March
 1946,
continued.

have their fares and reasonable travelling expenses refunded to them, we would agree to that. We will leave it to you to decide if you will seek such expenses. If you do so, we would pay the fares of members both ways from other States, and a travelling allowance which would not be more than £2 2s. per day.

Mr. YEO : It is a question whether applications for expenses will be made through your Association or direct to the Commission.

Mr. McDOUGALL : Direct, I think.

Mr. YEO : You would prefer that, would you ? Personally, I would prefer that it be done the other way. 10

Mr. COGHLAN : I think you will find that very few will claim it.

The CHAIRMAN : If a claim is made, we will acknowledge it.

Well Gentlemen, I thank you very much indeed, and I hope that we will have more equally fruitful and frank discussions with you.

Mr. BLACKBURN : I wish to thank you, Mr. Chairman, on behalf of Mr. Stanley and myself. We wish to thank you for co-opting us to this meeting.

Mr. McDOUGALL : Thank you.

The meeting closed at 1 p.m.

Exhibit 1.

INVOICE for £24,932 10s. 6d., 6th December, 1946.

Exhibits.

1.
Invoice for
£24,932
10s. 6d.,
6th
December
1946.

Invoice 27/11/46

Exhibit 1.

CREATY
MIDGTON
MIDGTON

MELBOURNE 6TH DECEMBER 1946

3720

INVOICE for 516 Bales Wool purchased and shipped per
to SYDNEY for account of AUSTRALIAN WOOLLEN MILLS PTY. LTD. order by

BIGGIN & AYRTON

WOOL BROKERS.

ORDER No. *113*

LOT	MARKS	SALES	DESCRIPTION	TYPE OF QUALITY	WELD	NETT LBS	PRICE	E	S	O	E	S	O
EX ELDERS G. 27.11.46.													
58	GS/BO	2	F	47A	68	2572	44½	474	4	3			
154	MO/L BAKLY-ROGAN	5	AAA COM	8	74	1522	44½	282	4	1			
167	JB CONJ/A	4	SUP A COM	22	70	1345	49	274	12	1			
201	OPM/MUNDORA	7	1ST AA	40A/2	75	1858	48	371	12	0			
206	DA/MORTAT	7	SUP AA	COM 40A/2	74	1792	44½	332	5	4			
239	TMS/BRIERLY	6	AAA COM	40A/2	74	1741	46	333	13	10			
258	RBS/MT WILLIAM	5	SUP BB	COM WE 40A/2	75	1376	47	269	9	4			
259	"	4	"	40A/2	72	1093	45	204	18	9			
260	"	5	AAA COM	WE 29A	69	1464	43	262	6	0			
PT.													
248	TMS/BRIERLY	6	AAA COM	23A	70	1883	44	345	4	4			
EX DENNIS G. 27.11.46.													
PT.						16446							
286	AM/BLIPTON	7	SUP COM	A 8	74	2018	45	378	7	6			
355	UONDO/DB	7	SUP AAA	40A/2	78	2148	41	366	19	0			
441	NARINSAL/STH	8	1ST AAA	41A/2	72	1218	39	197	18	6			
550	ED/WH	7	1ST A	41A	72	1822	38	288	9	8			
33	OAKHURST/JB F	2	SUP A COM	41A/2	67	610	41½	105	9	7			
51	YEAVIL/CLUNES	5	AAA	41A	70	1528	42	267	8	0			
102	LAWLOIT/A/JM	5	1ST A	41A	68	1458	35½	215	13	3			
179	STRATHMORE/SK/W	4	SUP COM	7A	78	1007	45	188	16	3			
181	"	5	AAA COM	23A	72	1451	43½	262	19	11			
215	J & TH/TYO	5	1ST A COM	23	70	1478	41	252	9	10			
285	AM/SKIPTON	8	SUP COM	A 8	75	2233	48	446	12	0			
308	EB/GLENFINE WEST	4	B COM	23	68	1033	44½	191	10	9			
312	EMW/MINERNE	5	EX SUP	23	73	1381	45½	260	7	6			
392	FERNHILL	5	CBK	41A/2	72	1375	44	252	1	8			
427	SGH/GLENLEE	4	AA CBK	41A	68	1104	38½	177	2	0			
478	GM/W	4	AAA	41A/2	72	990	36½	150	11	3			
549	ED/WH	8	1ST AA	41A/2	70	1982	45½	373	13	10			
790	FERNHILL	1	AAA C	43A	74	317	36	47	1	0			
PT.													
207	RG/BOLAC	6	AA COM	E 22	70	1742	44½	322	19	11			
270	HD/TRAWALLA	6	SUP COM	5	73	1499	46	287	6	2			
EX DALGETY G. 28.11.46.													
23	RLR/TYBURN	5	SUP A COM	E 21	71	1371	50	285	12	6			
61	TFA/DUNALAN	4	SUP A COM	H 22	70	1049	37	161	4	5			
64	"	4	1ST COM	H 21	69	1056	40½	178	4	0			
79	HJB/LEXTON	7	SUP COM	22	72	1928	46	369	10	8			
144	FEL/ROU-NORTON	6	AAA COM	28	68	1810	46½	350	13	9			
C FORWARD						185	52254	9530	12	11			

LOT	MARKS	SALES	DESCRIPTION	TYPE OF QUALITY	WELD	NETT LBS	PRICE	E	S	O	E	S	O
C FORWARD													
		185				52254		9530	12	11			
157	ST MARDOCKS	9	SUP COM	E 22	68	2534	47½	504	3	3			
195	BLYTHVALE	4	SUP AH	E 7A	76	1119	54	251	15	6			
196	"	6	SUP AE	8	76	1611	54	362	9	6			
220	PLAINS	4	EX SUP A	COM 6	70	1095	49	223	11	3			
260	MC	4	1ST COM	A 23	72	1141	52½	249	11	11			
353	JKM/BOLAC	6	SUP A	41A/2	76	1823	31½	239	5	5			
399	DOWLING	7	SUP AA	W 40A/2	74	1973	47½	392	10	1			
401	"	5	SUP AA	E 40A	74	1343	45	251	16	3			
402	"	4	SUP AA	E 40A	74	1099	45½	208	7	1			
434	GHW/KINROSS	4	SUP AAA	41A/2	74	985	47½	194	19	0			
438	"	8	AA	41A/2A	72	1354	40	225	13	4			
451	TL/IVERRAE	6	AAA CBK	E 40A/2	74	1577	46½	305	10	11			
474	AMC/KORNONG	5	SUP A	41A/2	75	1343	30½	156	13	5			
495	EMOH RUO/	4	SUP AAA	41A/2	78	1111	36	166	13	0			
496	" LISMORE	7	SUP AA	41A/2	76	2091	35½	307	2	4			
497	"	6	SUP AA	41A/15A	74	1685	36½	254	10	1			
498	"	5	AAAA	41A/2A	74	1460	28	170	6	8			
499	"	4	AAA W	41A/2A	75	1053	32½	143	13	10			
506	"	4	BKN	42A/1	73	1158	27	130	5	6			
510	HARWOOD/EX DJIACI	8	1ST A	41A/12A	70	2131	36½	324	1	10			
532	RTB/DDL	4	AA ½	41A/14A	71	939	28	109	11	0			
172	KULKURT	3	SUP COM	23A	72	871	40½	146	13	8			
194	BLYTHVALE	2	AAA E	23A	72	486	43	87	1	6			
PT.													
400	DOWLING	5	"	40A/2	75	1411	44½	261	12	6			
EX STRACHAN G. 28.11.46.													
361	AGR/HONGARY	4	SUP A COM	23A	71	912	46	174	16	0			
70	WE/CROWN	3	1ST A CBK	41A/14	74	682	39½	112	4	11			
1	KUCA/DDL	5	SP CBK	41A	70	1081	46	209	8	11			
43	JMMS/CONISTON	8	1ST CBK	PCS 41A	74	2032	29	245	10	8			
45	"	5	FX B PCS	42A/13	72	1410	21	123	7	6			
47	AEM/LISMORE	6	1ST A CBK	41A	75	1838	44	336	9	4			
75	WE/CROWN	5	1ST PCS	41A/2	76	1164	35	169	15	0			
83	WOLBUNYA	7	EX SUP AAA & H	41A/2	78	1854	44	339	18	0			
233	GAE CL IN CR	4	SUP COM	AA 56A	64	1010	39½	167	5	8			
292	J MC DONALD	6	A COM	E 7 & H 41	68	1437	46	275	8	5			
434	WARRAMBEEN	6	SS COM	E 24	73	1518	49	309	18	6			
501	BARRABA	4	AAA M	6	70	1120	50	233	6	3			
506	"	4	AAA COM	23	68	1166	47	228	6	0			
508	"	6	AA COM	23	72	1665	48	337	0	0			
512	"	8	B COM	22	68	2328	43	417	2	0			
534	MT FYANS	8	SUP COM	5	75	2020	52	437	13	4			
567	GALA	6	AAA COM	41A/11	74	1818	46	346	9	0			
627	HTG/JRARA	5	A NCS	40A/4	74	1306	30½	167	6	8			
632	MOORNBONG	8	1ST A V B	H 40A/2	68	2122	42½	375	15	5			
638	"	8	1ST AA	H 41A/2	78	2220	35	323	15	0			
639	"	7	1ST AA W	AA 43A/4	84	2003	34	283	15	2			
640	"	9	1ST AA E	41A/5	80	2206	34	312	10	4			
641	MOORNBONG	4	1ST AA E	41A	77	1033	34½	148	9	1			
646	"	6	1ST CBK	E V & H 41	76	1756	29	212	3	8			
C FORWARD						448	123268	21489	5	7			

MARKS	BALES	DESCRIPTION	TYPE & QUALITY	YIELD	NET LBS	PRICE	L	S	D	L	S	D
G FORWARD	448				123288		21489	5	7			
665 ROCKLEA	6	1ST CRK	415/14	80	1626	33 1/2	226	19	3			
5 WNW DL	2	CBK	415/12	72	664	34 1/2	96	2	10			
112 WE WAK	1	1ST A CBK	415/12	72	410	43	73	9	2			
445 WARRAMBEEN	1	SS COM B	23A	72	246	41 1/2	42	15	11			
495 BARRAMA	3	SUP A COM	7A	76	866	50	180	8	4			
496 "	1	"	8	75	263	53	58	1	7			
PT.												
40 JMMS CONISTON	1	A	414	77	2752	34	389	17	4			
224 JJB LOORANNA	7	AAA WE COM	59	64	1761	34	249	9	6			
NBR												
423 WARRAMBEEN	8	AAA COM W	7	73	2262	50	471	5	0			
424 "	7	AAA COM E	23	71	1906	50	397	1	8			
568 GALA	5	AA COM H	42/13	75	1553	44	284	14	4			
287 J MC DONALD(C)	5	AA SUP COM	SYM	72	1299	50	270	12	6			
FAIRVIEW												
570 GALA	5	AA COM	42/2	77	1552	44 1/2	287	15	4			
39 JMMS CONISTON	5	SUP CBK	415/14	78	1277	33	175	11	9			
EX DALGETY G. 28	11	SUP AAA H	402/3	74	50158							
398 DOWLING	1	SUP AAA H			219	45	41	1	3			
	516				141924		24734	11	4			
		DELIVERY 1/10 PER C/D					73	18	4			
							24808	9	8			
		COMMISSION @ 3%					124	0	10			
							24932	10	6			

DRAWN AT SIGHT THROUGH THE COMMERCIAL BANKING CO. OF SYDNEY LTD.

I CERTIFY THAT THE WOOL SPECIFIED IN THIS INVOICE REPRESENTS WOOL PURCHASED AT AUCTION ON BEHALF OF THE MANUFACTURER WHOSE NAME IS SHOWN ON THE INVOICE, AND THAT THE PRICE AT WHICH THIS WOOL HAS BEEN INVOICED REPRESENTS THE AUCTION PRICE ACTUALLY PAID.

A. BIGGIN & AYRTON
[Signature]

20
 DATE: 27/28 Nov 46
 WORKED BY: *[Signature]*
 CHECKED BY: *[Signature]*
 MANUFACTURER: *[Signature]*

	Sales	Packages	Units	Weight (lbs.)	Amount
Used					
V.					
Total	516			141924	£ 252,710

Exhibit 1.

**STATEMENT OF SUBSIDY, Ex Elder, Smith & Co. Limited and Dennys Lascelles Limited,
27th—28th November, 1946.**

1.
Statement
of Subsidy,
Ex Elder,
Smith &
Co. Limited
and
Dennys
Lascelles
Limited,
27th—28th
November
1946.

EC. COMMONWEALTH OF AUSTRALIA 3720.

Australian Wool Realization Commission

Statement of Subsidy due to:-

EX Elder, Smith & Co. Ltd. & Australian Woollen Mills Pty. Ltd., Dennys Lascelles Ltd.

OS. COMMONWEALTH OF AUSTRALIA 3720/H

Australian Wool Realization Commission

Statement of Subsidy due to:- -2-

Australian Woollen Mills Pty. Ltd.

on Account of Wool

on Account of Wool

EX ELDER, SMITH & CO. LTD. (Purchasing Agent - Biggin & Ayrton)

DENNYS LASCELLES LTD. (Purchasing Agent - Biggin & Ayrton)

Table with columns: Catalogue No., No., Date, Place, Lot, Bale, Pfdgen, Sacks, Weight, Subsidy, Amount. Includes entries for 58, 154, 167, 201, 206, 239, 258, 259, 260, 260 Pt., 240, 286 Pt., 355 Pt., 441 Pt., 550 Pt., 55, 108, 179, 181, 215, 0/P. 108.

Table with columns: Catalogue No., No., Date, Place, Lot, Bale, Pfdgen, Sacks, Weight, Subsidy, Amount. Includes entries for 285, 308, 312, 392, 427, 478, 549, 790 Pt., 207 Pt., 270, 23, 61, 64, 79, 144, 157, 195, 196, 220, 260, 353.

The amount shown herein as a subsidy payment has been calculated by agreement with procedures approved by the Commonwealth Government and is payable under the terms that all wool included in the invoice is to be used for the manufacture of goods for exportation within the Commonwealth.

The amount shown herein as a subsidy payment has been calculated by agreement with procedures approved by the Commonwealth Government and is payable under the terms that all wool included in the invoice is to be used for the manufacture of goods for exportation within the Commonwealth.

Exhibit 1

**STATEMENT OF SUBSIDY, Ex Dalgety & Co. Limited and Strachan & Co. Limited.
27th—28th November, 1946.**

Exhibits.

1.
Statement
of Subsidy,
Ex
Dalgety
& Co.
Limited
and
Strachan
& Co.
Limited,
27th—28th
November
1946.

Exhibit 1.

COMMONWEALTH OF AUSTRALIA
 Australian Wool Realization Commission
 Statement of Subsidy due to:-

Australian Woollen Mills Pty. Ltd.,

on Account of Wool

DELOITTE & CO. LTD.
 (Purchasing Agent - Biggin & Ayrton.)

Catalogue No.	St.	Date	Place	Weight	Serial	Basic Cost	Subsidy	Amount
Lot	Stain	Felting	Soeds	in lbs	Number	per lb.	per lb.	
B/P.								
300	7	1978	42 1/2	27 1/2	15 1/2	125	7	4
401	8	1848	42 1/2	26 1/2	16	89	10	8
408	4	1099	42 1/2	26 1/2	16	73	5	4
434	4	986	40	24 1/2	15 1/2	62	11	9
438	8	1384	34 1/2	22 1/2	11 1/2	66	5	10
451	8	1877	39	24 1/2	14 1/2	55	5	7
474	8	1843	32 1/2	21 1/2	11	56	19	5
496	4	1111	30 1/2	21 1/2	8 1/2	40	10	1
496	7	8091	29 1/2	21	8 1/2	74	1	2
497	6	1888	26 1/2	21 1/2	5 1/2	38	12	4
498	8	1480	25 1/2	20	5 1/2	34	19	7
499	4	1063	29 1/2	21 1/2	7 1/2	34	-	1
506	4	1158	24 1/2	19	5 1/2	27	14	11
510	8	8131	37 1/2	22 1/2	15	133	3	9
588	4	989	27 1/2	20 1/2	7	27	7	9
178	3	871	43 1/2	26 1/2	17	61	13	11
194	2	408	43 1/2	26 1/2	17	34	8	6
400	8	1411	43 1/2	27 1/2	15 1/2	91	2	7
361	4	812	42 1/2	26 1/2	16 1/2	62	14	-
70	3	682	38 1/2	24	13 1/2	39	1	6
1	6	1081	46 1/2	27 1/2	19	85	11	7
0/P.	318			88222		6084	18	3

The amount shown herein as a subsidy payment has been calculated in accordance with procedure approved by the Commonwealth Government and is payable on the condition that all wool included in the invoice is to be used for the manufacture of goods for exportation within the Commonwealth.
 Payment of this amount is made by the Australian Wool Realization Commission AS AGENT FOR THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA in accordance with the provisions of the Price Stabilization Plan, and the Government retains the right to review and, if necessary, vary the amount of subsidy so paid.
 It is an essential condition of payment of subsidy that the wool in which subsidy has been paid should be used by the purchaser for purposes of manufacture, and that no such wool should be re-sold without prior notification being given to the Australian Wool Realization Commission.
 The amount shown on this statement is included in GROUP'S No. 1622 ATTACHED

COMMONWEALTH OF AUSTRALIA
 Australian Wool Realization Commission
 Statement of Subsidy due to:-

Australian Woollen Mills Pty. Ltd.,

on Account of Wool

STRACHAN & CO. LTD.
 (Purchasing Agent - Biggin & Ayrton.)

Catalogue No.	St.	Date	Place	Weight	Serial	Basic Cost	Subsidy	Amount
Lot	Stain	Felting	Soeds	in lbs	Number	per lb.	per lb.	
B/P.								
318				88222		6084	18	3
45	8	8088	29	19 1/2	9 1/2	83	11	-
45	8	1410	19	18	1	5	17	6
47	6	1888	39 1/2	24 1/2	14 1/2	110	19	3
75	8	1164	32	21 1/2	10 1/2	52	2	9
83	7	1884	42 1/2	27 1/2	14 1/2	113	18	11
233	4	1010	35 1/2	21 1/2	14	58	16	4
298	8	1487	41 1/2	24	17 1/2	114	15	8
434	6	1818	44 1/2	26	18 1/2	118	11	11
801	4	1190	57 1/2	29 1/2	28	130	13	4
806	4	1166	44	25	19	92	6	2
808	6	1686	47 1/2	27	20 1/2	140	3	5
812	8	2328	47 1/2	26 1/2	21 1/2	208	11	-
854	8	8080	57 1/2	33	24 1/2	208	6	3
867	6	1618	44 1/2	26	18 1/2	142	-	8
827	5	1306	30 1/2	22 1/2	8 1/2	44	17	11
632	8	2122	46	29	17 1/2	154	14	7
638	8	2220	35 1/2	24 1/2	10 1/2	79	8	9
659	7	2003	37	27 1/2	9 1/2	81	7	5
640	9	2206	36	24	11 1/2	118	-	1
641	4	1023	35 1/2	24	11	47	6	11
648	6	1756	33 1/2	22	10 1/2	78	13	1
0/P.	468			123268		8273	3	2

The amount shown herein as a subsidy payment has been calculated in accordance with procedure approved by the Commonwealth Government and is payable on the condition that all wool included in the invoice is to be used for the manufacture of goods for exportation within the Commonwealth.
 Payment of this amount is made by the Australian Wool Realization Commission AS AGENT FOR THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA in accordance with the provisions of the Price Stabilization Plan, and the Government retains the right to review and, if necessary, vary the amount of subsidy so paid.
 It is an essential condition of payment of subsidy that the wool in which subsidy has been paid should be used by the purchaser for purposes of manufacture, and that no such wool should be re-sold without prior notification being given to the Australian Wool Realization Commission.
 The amount shown on this statement is included in GROUP'S No. 1622 ATTACHED

Exhibit 1.

**STATEMENT OF SUBSIDY, Ex Strachan & Co. Limited. Return of Wool purchased
27th—28th November, 1946.**

Exhibits.

1.

Statement
of Subsidy,
Ex
Strachan
& Co.
Limited.
Return of
Wool
purchased,
27th—28th
November
1946.

Australian Wool Realization Commission

Statement of Subsidy due to: - 5 -

Australian Woolen Mills Pty. Ltd.,

on Account of Wool

SHAGHAN & CO., LEB.
(Purchasing Agent - Biggin & Ayrton.)

Catalogue No. 50 Date 27/20th Nov. Place GEELONG.

Lot	Rate	Package	Style	Weight in lb.	Wool content per lb.	Staple length in in.	Staple length in in.	Staple length in in.	Amount	£	s	d
B/Pvd. 448				123266					8273	3	2	
205	8			1000	35½	23½	11½		77	18	3	418/14 80
5	8			604	38½	23	15½		42	3	10	418A/20A 78
112	1			410	39	24½	14½		25	4	-	412/18 78
445	1			846	43½	26½	17		17	8	6	82A 78
488	8			866	50	30½	1½		70	7	3	7A 78
488	1			808	46	28½	17½		18	18	1	8 78
Pt. 40	11			8722	35½	24½	11		126	2	8	414 77
Pt. 204	7			1761	34½	20	14½		106	7	11	80 64
Pt. 425	8			2202	52½	30	22½		209	14	2	7 78
Pt. 424	7			1908	46½	26½	20		158	16	8	23 71
Pt. 508	8			1883	42½	26½	17½		113	4	10	412/13 78
Pt. 507	8			1899	47½	27	20½		109	12	1	23 78
Pt. 570	8			1822	44½	28½	16½		105	1	8	422/2 77
Pt. 50	8			1877	34½	23½	10½		55	17	5	415/14 78
EX DALGETY & CO., LEB.												
508	1			210	46½	27½	19		17	6	9	402/3 74
526				141884					9527	7	3	

The amount shown herein as a subsidy payment has been calculated in accordance with procedure approved by the Commonwealth and is payable on the condition that all wool included in the books to be used for the manufacturing of goods for exportation within the Commonwealth.

The amount shown on this statement is included in GEELONG 11-1602 ATTACHED

Exhibit 1

240

To THE AUSTRALIAN WOOL REALIZATION COMMISSION,
540-542 LITTLE COLLINS STREET,
MELBOURNE, C. I.

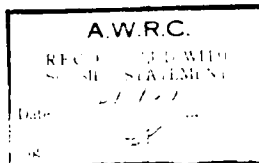
**RETURN OF WOOL PURCHASED AT AUCTION
BY A MANUFACTURER**

Submitted by — during the Auction Series of **GEELONG (SALE 3)** (Centre)

Manufacturer **THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED** From **27th November, 1946** (date)

Address **46 MARTIN PLACE, SYDNEY.** To **28th November, 1946.** (date)

Broker or Buying Agent who involved to manufacturer	Ex Selling Broker's Catalogue	Lot No.	Bales	Quantity Purchased Package or Bales	Bags or Sacks	Lbs Weight
BIGGIN & AYRTON MELBOURNE	ELDERS, GEELONG	58	7			2572
		184	5			1522
		167	4			1345
		201	7			1858
		206	7			1798
		239	6			1741
		258	5			1376
		259	4			1093
		260	5			1464
		Pt. 240	6			1883
		Pt. 286	7			2018
		" 355	7			2146
		" 441	5			1218
		" 550	7			1922
33	2			610		
51	5			1528		
102	5			1458		
179	4			1007		
181	5			1451		
215	5			1478		
295	8			2233		
308	4			1033		
312	5			1361		
392	5			1375		
427	4			1104		
478	4			990		
549	8			1982		
790	1			317		
Pt. 207	6			1742		
" 270	8			1499		
23	5			1371		
61	4			1049		
64	4			1056		
79	7			1328		
144	6			1810		
TOTAL			185			52254



Purchasers of wool at auction by a manufacturer should on the above return must only include wool intended for manufacture within Australia, and in certifying for claims for subsidy.

The weight in lbs. of purchases provided for in the last column above must be filled in by the manufacturer if it is readily available, but if the obtaining of the information as to weight would delay forwarding the return a later advice from the manufacturer as to the actual weights purchased may be furnished as a supplement to this return.

The manufacturer should ensure that, for the wool shown above arrangements have been made for the investing broker to forward duplicate copies of his invoices to the manufacturer direct to the Australian Wool Realization Commission.

JOHN WILLIAM LONGFORTH CRANE of **46 MARTIN PLACE, SYDNEY**

being the manufacturer named in this return, or being the person fully authorized to make such a return on behalf of the manufacturer named in this return hereby declares that the wool shown in the above return will be used by the said manufacturer for purposes of manufacture of goods within the Commonwealth (that the above mentioned wool or no part of that wool will be re-sold without prior notification being given to the Australian Wool Realization Commission) (that these purposes "include" is deemed to include any transfer of title in wool obtained in advance for a re-manufacture or re-manufacture) (that no person possessing such wool on behalf of a manufacturer) and that the above information is a true and correct statement of wool for manufacture of goods within the Commonwealth purchased by the said manufacturer at the auction series for which this return is submitted.

Signature

John Crane

*Proprietor
*Partner
*Public Officer.

*Strike out word inapplicable.

Exhibit 1.

RETURN OF WOOL purchased 27th—28th November, 1946.

Exhibits.

1.
Return of
Wool
purchased,
27th—28th
November
1946.

To THE AUSTRALIAN WOOL REALIZATION COMMISSION,
540-542 LITTLE COLLINS STREET,
MELBOURNE, C.1

RETURN OF WOOL PURCHASED AT AUCTION
BY A MANUFACTURER

Submitted by --- during the Auction Series at GEELONG (SALE 3) (Centre)
From 27th November, 1946 (date)
Manufacturer THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED,
Address 46 MARTIN PLACE, SYDNEY. To 28th November, 1946. (date)

Table with columns: Broker or Buying Agent, In Selling Broker's Catalogue, Lot No., Bales, Quantity Purchased (Fodges or Bales, Bags or Bales), No. Weight. Includes entries for BIGGIN & AYRTON MELBOURNE and STRACHAN, GEELONG.



Purchaser of wool at auction by a manufacturer shows on the above return must only include wool intended for manufacture within Australia, and in qualifying for claims for subsidy... The manufacturer should certify that, for the wool shown above, arrangements have been made for the invoicing broker to forward duplicate copies of his invoices to the manufacturer direct to the Australian Wool Realization Commission.

JOHN WILLIAM LONGWORTH CRANE 46 MARTIN PLACE, SYDNEY. I, the undersigned, being the manufacturer named in this return, or being the person fully authorized to make such a return on behalf of the manufacturer named in this return, hereby declare that the wool shown in the above return will be used by the said manufacturer for purposes of manufacture of goods within the Commonwealth...

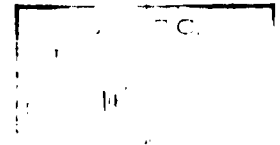
Signature: [Handwritten Signature] *Proprietor, *Partner, *Public Officer.

To THE AUSTRALIAN WOOL REALIZATION COMMISSION,
540-542 LITTLE COLLINS STREET,
MELBOURNE, C.1

RETURN OF WOOL PURCHASED AT AUCTION
BY A MANUFACTURER

Submitted by --- during the Auction Series at GEELONG (SALE 3) (Centre)
From 27th November, 1946 (date)
Manufacturer THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED,
Address 46 MARTIN PLACE, SYDNEY. To 28th November, 1946. (date)

Table with columns: Broker or Buying Agent, In Selling Broker's Catalogue, Lot No., Bales, Quantity Purchased (Fodges or Bales, Bags or Bales), No. Weight. Includes entries for BIGGIN & AYRTON MELBOURNE and DALGETY, GEELONG.



Purchaser of wool at auction by a manufacturer shows on the above return must only include wool intended for manufacture within Australia, and in qualifying for claims for subsidy... The manufacturer should certify that, for the wool shown above, arrangements have been made for the invoicing broker to forward duplicate copies of his invoices to the manufacturer direct to the Australian Wool Realization Commission.

JOHN WILLIAM LONGWORTH CRANE 46 MARTIN PLACE, SYDNEY. I, the undersigned, being the manufacturer named in this return, or being the person fully authorized to make such a return on behalf of the manufacturer named in this return, hereby declare that the wool shown in the above return will be used by the said manufacturer for purposes of manufacture of goods within the Commonwealth...

Signature: [Handwritten Signature] *Proprietor, *Partner, *Public Officer.

Exhibit 1.

SUMMARY of Subsidy Statements, Season 1946/1947.

AUSTRALIAN WOOLLEN MILLS PTY. LTD.

	<i>Centre</i>	<i>Series</i>	<i>Date</i>
	Brisbane	1	16-19th Sept., 1946
	Sydney	1	2-10th Sept., 1946.
	"	2	23rd Sept.—1st Oct., 1946.
	"	3	2-10th Oct., 1946.
10	"	4	11-18th Nov., 1946.
	"	5	2-9th Dec., 1946.
	"	6	16-19th Dec., 1946.
	"	7	6-9th Jan., 1947.
	Newcastle	1	11-12th Sept., 1946.
	Goulburn	2	12th Nov., 1946.
	"	4	11-12th Dec., 1946.
	Melbourne	2	7-10th Oct., 1946.
	"	3	21-24th Oct., 1946.
	"	4	18-21st Nov., 1946.
20	"	5	2-5th Dec., 1946.
	"	6	18-20th Dec., 1946.
	"	7	13-16th Jan., 1947.
	"	8	3-7th Feb., 1947.
	"	9	24-27th Feb., 1947.
	"	10	11-13th March, 1947.
	"	11	24-27th March, 1947.
	"	12	21-24th April, 1947.
	Geelong	1	16-17th Oct., 1946.
	"	2	5-6th Nov., 1946.
30	"	3	27-28th Nov., 1946.
	"	4	16-17th Dec., 1946.
	"	5	29-30th Jan., 1947.
	"	6	12-13th Feb., 1947.
	"	7	5-6th March, 1947.
	"	8	1-2nd April, 1947.
	"	9	30th Apr.—1st May, 1947.
	Albury	1	2-3rd Oct., 1946.
	"	2	11th Nov., 1946.
	"	3	11-12th Dec., 1946.
	"	5	19-20th Feb., 1947.
40	"	6	19-20th March, 1947.
	Adelaide	2	1-3rd Oct., 1946.
	"	3	11-13th Nov., 1946.
	Hobart	2	10th Jan., 1947.
	Launceston	2	7th January, 1947.
	Private Sale (Statement No. 8516)—24th February, 1947.		

Exhibits.

1.
Summary
of Subsidy
State-
ments,
Season
1946/1947.

*Exhibits.***Exhibit 1.****SUMMARY of Subsidy Statements, Season 1947/1948.****AUSTRALIAN WOOLLEN MILLS PTY. LTD.**

1.
Summary
of Subsidy
State-
ments,
Season
1947/1948.

<i>Centre</i>	<i>Series</i>	<i>Date</i>	
Brisbane	4	15-18th December, 1947.	
"	8	21-24th June, 1948.	
"	9	28th June—1st July, 1948.	
Sydney	17	16-17th June, 1948.	
Newcastle	4	3-4th December, 1947.	
Goulburn	4	3-4th December, 1947.	10
Melbourne	3	13-16th October, 1947.	
"	4	27th October—3rd November, 1947.	
"	5	17-24th November, 1947.	
"	5A	15th December, 1947.	
"	6	19-22nd January, 1948.	
"	7	2-5th February, 1948.	
"	9	5-8th April, 1948.	
"	10	19-22nd April, 1948.	
Geelong	2	4-6th November, 1947.	
"	3	25-27th November, 1947.	20
"	4	17-18th December, 1947.	
"	5	6-8th January, 1948.	
"	6	27-29th January, 1948.	
"	8	14-15th April, 1948.	
Albury	2	22-23rd October, 1947.	
"	3	3-4th December, 1947.	
Hobart	2	18-19th February, 1948.	
Launceston	2	12-13th February, 1948.	
Private Sale No.	298	24th June, 1948.	
" " "	300	24th & 28th June, 1948.	30
" " "	302	29th-30th June, 1948.	
" " "	315	14th June, 1948.	

Exhibit 3.

Exhibits.

TRANSCRIPT OF PROCEEDINGS of meeting held in the Board Room, 540-542 Little Collins Street, Melbourne, on Thursday, 24th June, 1948, at 2.30 p.m. between the Australian Wool Realisation Commission and Advisory Committee of Wool Manufacturers.

3.
Transcript of Proceedings of Meeting between Australian Wool Realisation Commission and Advisory Committee of Wool Manufacturers, 24th June 1948.

For the Commission :

- Mr. N. W. YEO (Executive Member and Deputy Chairman) in the Chair.
 Mr. A. L. SENGER (Chief Economist).
 Mr. J. WILLIS (Advisor of Manufacturers and Dealers Problems).
 10 Mr. H. B. LEIGH (Secretary).
 Mr. R. E. CAMPBELL (Assistant Secretary).

For the Advisory Committee. Representatives of Top Makers :

- Mr. VICARS (Chairman).
 Mr. SNAPE (Secretary).
 Mr. STANLEY.
 Mr. McDUGALL.
 Mr. COGHLAN.
 Mr. KELLETT.
 Mr. MORWOOD.
 20 Mr. MICHELL.
 Mr. BLACKBURN.
 Mr. PONTEFRACT.
 Mr. CRIBB.
 Mr. BRIGGS.
 Mr. WILKINSON.
 Mr. COWIE.
 Mr. GRAY.

 APPEARANCES.

- 30 The CHAIRMAN : Well, Gentlemen, the purpose of this meeting is to discuss the question of the termination of the subsidy on our wool for use within the Commonwealth.

It has been announced by the Government that the wool subsidies scheme will be finalised on the 31st July. That means, of course, subsidies will not be paid on any wools which do not properly come within the current season.

- The Commission has, for the past two years, been entrusted with the administration of subsidy payments to the Australian manufacturers and it has done its best to administer those payments with complete
 40 impartiality and with due regard to the requirements of the Commonwealth Treasury.

Exhibits.
 3.
 Transcript
 of Pro-
 ceedings of
 Meeting
 between
 Australian
 Wool
 Realisation
 Commission
 and
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 24th June
 1948,
continued.

The Commission has now been entrusted with the task of winding up the question of subsidy arrangements and the Commission has given anxious thought that the winding up arrangements should be done as fairly and as humanely as is possible.

I can assure you, Gentlemen, the termination of the subsidy will relieve the Commission of a lot of work. The Commission is anxious, of course, to hear the views of the manufacturers concerned and I assume, Gentlemen, you have already met and discussed this matter between yourselves. I propose now to give you an opportunity to express your views so that those views can be recorded and I also wish to give you the opportunity of asking any questions connected with the termination of the subsidy and I will do my best to give you an answer to those questions. 10

I understand you are chairman, Mr. Vicars ?

Mr. VICARS : Yes, Mr. Yeo.

The CHAIRMAN : And you are also the spokesman for the manufacturers, I presume ?

Mr. VICARS : Yes. We met this morning and discussed these problems and we appreciate the opportunity of meeting with you to-day to have this discussion as we realise the position is going to be extremely difficult in many ways. 20

However, we met at 11 o'clock this morning and we went through the items mentioned in this letter which was sent out by your secretary, Mr. H. B. Leigh, on the 18th instant.

I think, first of all, Mr. Chairman, I would like Mr. Snape, our Secretary, to read out, briefly, the result of the discussion this morning in relation to Item A, then the matter can be reported upon.

“(A) What would constitute reasonable stocks of subsidised wool in the hands of Manufacturers at the 30th June, 1948 (i.e., 4, 5 or 6 months' stocks based on 1947/48 consumption).” 30

“(B) Conditions and times of payment of outstanding subsidy on purchases of wool already made and to be made on the 1947/48 Season.”

Mr. SNAPE : We feel that subsidies should be paid on all wool purchased up to the 1st July provided that mills have only bought their normal stocks as they have done in past years.

This will bring up the problem that some mills have three to four and six to seven months' stocks and for that reason the selling prices of some mills will rise considerably ahead of the others.

Whether the Commission can see their way to allow the mills with small stocks to buy enough wool at subsidised prices to carry them on for the longer period, so that all prices would rise at the same time. 40

Mr. VICARS : Mr. Chairman, the point there is some mills normally do carry much larger stocks than others. Some work on the special types

that are not available. You know better than I do, probably, about that. It appears broadly that the mills may average five months' stock at the end of the wool selling season but, definitely, some mills will have only three months' stocks and other six and seven months' stocks. It is the desire that the price rise, when it comes, should be at a period when all mills will put up the prices at the same time or nearly at the same time supplied and has to buy the new season's wool and pay the higher prices for it.

Exhibits.

3.

Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

The CHAIRMAN : That is the idea of the Commission. We want to establish, if possible, a line for the current wool so that the mills will reach that line simultaneously.

Members, of course, will furnish a return of their stocks on the 30th of June. You mentioned the 31st July, do you wish that to include all purchases up to the 30th July? Auctions will cease on the 1st July and that is the end of the current season. What purchases do you refer to as " auction purchases " ?

Mr. VICARS : 30th July was the date suggested, as being the date of the completion of subsidised wool.

The CHAIRMAN : Yes, officially the subsidy will terminate on the 31st July and that will not stop any purchases coming within the current season. The current season will end, as far as I can recollect, on the 1st July.

Mr. VICARS : I am inclined to think that we could correct that to the 30th June.

The CHAIRMAN : If you have no doubt it could be altered to read:—" The current season including the first July."

Mr. VICARS : Yes, that will be all right.

The CHAIRMAN : Now what about the return of stocks which you will furnish us, what is the position regarding the partly processed and partly manufactured stocks ?

Mr. VICARS : We always have working stocks whether the prices are going up or going down.

The CHAIRMAN : Yes. All I want to do is to get a return along similar lines. We want uniformity.

Mr. VICARS : I think that was set out in the Schedule we received. Matchings are included in the stocks, everyone will realise that.

Mr. WILLIS : Last year some people regarded matchings as wool in process. What we regard as wools to be included in the return are wools which have not passed on to cards. Scoured stocks will be rendered.

The CHAIRMAN : That point has to be made very clear, as to what stocks are to include ?

Exhibits.

3.

Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

Mr. KELLETT : That scoured stock was always there. We always had it there. The work is in progress.

Mr. MORWOOD : A manufacturer buys scoured wool. You cannot differentiate between a man who has scoured wool outside and scoured wool in his own plant. It has gone into process. If *A* and *B* does not scour, we have got to put both *A* and *B* on the same basis.

Mr. STANLEY : If I have wool in stock, it would come in. It would include every bit of wool held whether in the broker's store or anywhere else.

The CHAIRMAN : There is the absolute necessity of making this 10 return on identical lines for every manufacturer. There must be no misunderstanding because it is on this return of stock that we are going to try to establish the line.

Mr. COGHLAN : Have you got to take the scoured ?

Mr. WILLIS : You would have to take both, otherwise it would not be on the same basis. It is in process.

Mr. STANLEY : It is in process and the other relates to stocks of wool.

The SECRETARY : You must include scoured and greasy.

Mr. STANLEY : That is part of our stock.

20

The CHAIRMAN : Would not it be better if it referred to wool which has not reached the first point of manufacture, whether scouring or carbonising ?

Mr. WILKINSON : Up to carding.

Mr. GRAY : Up to the carding stage.

The CHAIRMAN : All wool that has not reached the point of manufacture, is that clear ? You will have to state that very clearly in the description of what is required.

Mr. WILLIS : In our circular we set out three headings. (*Extract from circular read.*) They are set out there.

30

Mr. VICARS : I think the Association could send out a circular to its members making that point clear. Although the wording of this is correct, we could still assume the carbonising wool here was purchased in that stage. That might be assumed.

The CHAIRMAN : We do not want a man to come back later on and say that he did not understand the directions regarding stocks. It will be too late to correct it then.

Mr. MORWOOD : It is proper, I think, that we should send it out.

The CHAIRMAN : Yes. I would like the manufacturers present to form an opinion so that we can say it was not an autocratic direction from here but it was arrived at after consultation with you people. All the wool which has not reached the first point of manufacture should be included in the return of stock.

Mr. COGHLAN : The first point of manufacture must be defined.

The CHAIRMAN : Many people get wool scoured outside. It is regarded as raw wool all the world over. Could we agree upon some clear
10 definition of what is required in this return of stocks ?

Mr. VICARS : Could we make it : " All wool scoured in the mill but not yet further processed."

The CHAIRMAN : It could be in the mill or in any other premises, but if you agree on that point we can clarify it easily.

Mr. STANLEY : I would regard your request to include all stocks in wool no matter where they are except where it is scoured or carded or in the looms. That is correct.

Mr. WILLIS : Wool which has not reached carding.

Mr. COGHLAN : You could make your carding on the first point.

Mr. PONTEFRACT : You have certain wools that have been dyed
20 and blended.

Mr. VICARS : There will have to be a separate item.

Mr. McDOUGALL : If stock is dyed it is in process.

The SECRETARY : It is carding or dyeing, those are the commencing points.

Mr. PONTEFRACT : Could we say : " Wool which has not reached the carding stage or which has been dyed " ?

Mr. STANLEY : Yes.

Mr. VICARS : There is the blending, that is a process.

Mr. PONTEFRACT : You have added oils to it. I think " blending "
30 would make it clear.

Mr. VICARS : I think we should have the word " blended " as well as " dyed."

Mr. WILLIS : We need not take blending because that would include matching. The thing is—is it fair to the worsted manufacturer that

Exhibits.

3.
Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

Exhibits.

3.

Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

woollen manufacturers be allowed to take dyed wool as being wool in process, whereas the worsted manufacturer is not quite in the same position.

Mr. VICARS : It would be perfectly fair because the worsted manufacturer would dye his but it is dyed at a different stage. I think it is perfectly fair to both.

Mr. PONTEFRACT : You could have the dyed stock later on.

The CHAIRMAN : You would then, of course, have to get within the reach of the manufacturer with dyed stocks.

Mr. McDOUGALL : There is not much difficulty there. 10

Mr. WILLIS : Wool dyed before carding could be shown separately.

The CHAIRMAN : I would have no objection at all to including dyed stocks so long as dyed stocks are clearly dyed to a point.

Mr. VICARS : You would like the woollen manufacturers to show their blending and dyeing separately, by blending I mean matching.

Mr. WILLIS : Yes, that means every one is shown even to the stage of carding.

The CHAIRMAN : I think that would greatly assist. It is the man who is going to try to beat us that we are anxious about. We have had experience in these things and we do want to prevent anyone getting through a gate which is not properly closed. 20

Mr. VICARS : We would like it expressed so that this would mean normally dyed or it might be recognised as normal stock.

The CHAIRMAN : Yes, do you agree on that point ?

Mr. COGHLAN : There is a difficulty in getting the amounts on the cards.

The CHAIRMAN : I do not think we will be worried about a few pounds. We want it observed in principle.

Mr. KELLY : It will be an estimate.

Mr. STANLEY : No, it is more than an estimate. 30

Mr. GRAY : It includes wools to the scoured stage.

The CHAIRMAN : We need not worry about that aspect of it. I think we are sufficiently aware that that can be safely left in the hands of the manufacturer making out the returns. I do not propose to set up a Police Force in this matter.

What views have you got in regard to it, Mr. Vicars ?

Exhibits.

Mr. VICARS : In regard to Item (A) I do not think we have got any definitive recommendation as to the time period. We suggest that five or six months would probably be the average stock, for stock held by the mill at this period and possibly a reasonable time but it is tied so much because some mills will have less.

3.
Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

Mr. WILLIS : Last year we wrote to the Association in regard to the question of minimum stocks, at the request of the Prices Commissioner who was concerned with the fact that the subsidy was only paid on the wools
10 required for immediate production and it was requested that the manu-
facturers should adjust their stocks. You will remember the final
paragraph of the circular which was sent out (*final paragraph read*).

The position at the close of last year was that the stocks held by the
manufacturers showed a variation from three months to two years and the
average stock was approximately 8.7 months. I am led to believe the
position has considerably altered now and stocks are starting to approach
what might be called the normal practice of the pre-war basis but there
were certain unusual factors surrounding these stocks at the end of last
year, so it is not an academic question. It is a question where there might
20 be variations from four months to ten months, even now. The advices
on that wool will be pretty vital.

The CHAIRMAN : It has been recognised as a feature in the wool
trade for many years that private manufacturers propose to carry six
months' stock. That is accepted all over the world.

Mr. STANLEY : Some of the wools we purchase, we cannot get and
it has to be carried back. You might carry certain stocks for some years
and you may have to carry them until January or February. You cannot
get your crossbred for a start. During the time when we were forced into
the market in September we had to go in then because we could not get
30 them in November.

The CHAIRMAN : There are two main things with which the
Commission is concerned : firstly, no manufacturer who has been subsi-
dised on wool should be allowed to profit through the payment of that
subsidy.

That is clear. That is the Commission's aim. The second point is
—no manufacturers should be allowed into the uncontrolled market before
any other manufacturer should be allowed. Those are two things that
we want watched.

Mr. McDOUGALL : You will appreciate the fact that the worsted
40 manufacturer and the woollen manufacturer are in different positions.
A manufacturer must carry raw stock or agree to a number of months'
stock because of the time that the wool comes on to the market.

The CHAIRMAN : He can use it much more rapidly too.

Exhibits.
 3.
 Transcript
 of Pro-
 ceedings of
 Meeting
 between
 Australian
 Wool
 Realisation
 Commission
 and
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 24th June
 1948,
continued.

Mr. VICARS : That is the point that raised the difficulty in suggesting a definite period because the stocks do vary between the mills to such a marked degree and the desire is to have all the prices changed at the same time.

The CHAIRMAN : Is there a clear line between the wool manufacturers and the worsted manufacturers in this country ?

Mr. VICARS : No. Some mills do both. They are in quite separate stages.

Mr. STANLEY : Assuming the general stock position was six months and it happens that there are 24 manufacturers, out of 24, 20 could run 10 to December and the other four could run until September, what would the Commission's attitude be towards those four who had been unable to secure holdings beyond September ?

The CHAIRMAN : The Commission's attitude—they should be given the opportunity of purchasing additional subsidised stocks between now and the end of the year to bring them up to the crossing line. We admit that is a bit light, if the others had five or six months' stock and it will be difficult for them to buy additional stocks and that is why we have called this meeting as quickly as possible. It is only a few days ago since the decision of the Government was made. We admit there are some 20 difficulties and we are trying to find some outlet.

Mr. STANLEY : If that position did arise and those four mills could only run until September and the others could run until December, would you assist them to get additional supplies from your combings, if you had any, would you assist those four mills out of your stocks ?

The CHAIRMAN : Only between now and the end of the year.

Mr. VICARS : Between now and the end of this month ?

The CHAIRMAN : Yes.

Mr. VICARS : I would think it would be quite impossible on that, and that is the matter we raised in our first statement—the big variations 30 there.

The CHAIRMAN : We would be prepared but the time would not permit us to do it.

Mr. VICARS : That is the problem to-day and we cannot see any answer to it.

The CHAIRMAN : I cannot, at the moment.

Mr. STANLEY : If the returns disclose the deposition as I put up to you, you have still got stocks out of which you can help.

The CHAIRMAN : Those stocks can only be purchased by a mill at open competitive auctions. We would not sell our stock other than at auction, I can assure you on that.

Mr. STANLEY : How could those four mills be helped ?

The CHAIRMAN : We cannot meet them until we come to the position and we cannot go to them until we get the actual return of stock held. I am quite aware that that position will arise.

Have you come to any definite conclusion regarding the period, at your meeting, Mr. Vicars ?

10 Mr. VICARS : No.

The CHAIRMAN : The eventual position must be a clearer cut than that.

Mr. VICARS : I am afraid it was impossible to come to any definite decision regarding that until we knew what stocks might be recorded. One might consider five or six months would be a suitable time economically but it may not be possible to carry on that for very long whereas other mills could carry on. It makes it quite impossible for us to state a correct date.

20 The CHAIRMAN : The position so far as the Commission is concerned is assuming we fixed the period at five months and the manufacturers' return showed he had seven months' stock, and another manufacturer has two months' stock——

Mr. VICARS : They would have to pay back the subsidy.

The CHAIRMAN : We hope to adjust it by the subsidy amounts which have not yet been completed. Those two months' stocks would automatically go with unsubsidised stocks.

Mr. VICARS : Supposing they did have to pay back the money, on what basis would that be paid ?

The CHAIRMAN : We would probably take the latest purchases.

30 Mr. VICARS : That would probably be unfair. It so happens that during the last months the prices have been higher than they were before.

The CHAIRMAN : On arriving at a solution to this problem there is both the fairness and unfairness but it cannot go on indefinitely. The thing has to be done and it is impossible to do it in such a manner that will please everybody ; somebody will be displeased. What we want to arrive at is what is the best means of solving this problem with the least inconvenience.

Mr. VICARS : It is not a matter of displeasing or of inconvenience but it might have a very severe financial result.

Exhibits.

3.

Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

Exhibits.

3.
Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

Mr. STANLEY : It raises this issue for you at this meeting. Whether the deadline be the 30th of November or at the end of the year, 31st December, some of us will have to try to buy wool between now and the end of June. We want to go further, knowing definitely what is the ruling of this Commission. I am covering my clients up to the end of November. We are covering all our clients to the 30th November. I did issue two contracts for December hoping to have that wool and that it would be continued. If not, I may have to go to Brisbane and get a portion, if November is the deadline. We do not want to do that.

The CHAIRMAN : The discussion, so far, Gentlemen, is on the 10 assumption that the Commission has already fixed, or is going to fix, the deadline, but we want to get your ideas in regard to the deadline.

Mr. McDOUGALL : One has got to bear in mind the two separate types of manufacturers, the worsted and the woollen. The woollen manufacturers generally go into the market until December or later and, particularly, the mill that does both worsted and woollen, and the average is to-day up very high, so if the deadline were November it may be suitable for worsted and not for the woollen manufacturers.

The CHAIRMAN : Do you know the difference between ?

Mr. WILLIS : The Prices Commissioner has said that having regard 20 to what they are doing in other industries, he prefers not to have any sub-division within an industry if he can possibly avoid it. He prefers it should apply on the same basis and I did raise the question in relation to the worsted and woollen manufacturers and he said that he could appreciate the woollen manufacturers' viewpoint and he would like to hear the comments of the worsted manufacturers selling types.

Mr. STANLEY : On the matter of the Commission's policy, would they prefer as a matter of national economy, to see the trade in a position that they could keep all sections going until December or November ?

The CHAIRMAN : The answer to that is this—that the Commission 30 is not determining policy. We are administering only the policy determined at Canberra. The Commission has not determined the policy and we never have.

Mr. WILLIS : The Commissioner said he would be largely guided by what reasonable stocks the industry as a whole held.

Mr. STANLEY : You can see from the opinions expressed round this table, the end of November appears to be the dead line.

Mr. McDOUGALL : No, speak for yourself.

Mr. STANLEY : I am speaking for myself and I will speak for myself and it looks as if the end of November is the dead line. 40

Mr. MICHELL : There was one mill with three months' stock.

Mr. STANLEY : Are you not referring to the woollen section. I am referring to the worsted section and as far as I know of the top making end, the 30th November is the dead line and if that is so they will have to hurry up. I have already said that we can cover our clients to the end of November but not until December. What can you and Mr. Blackburn do ?

Exhibits.

3.

Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

Mr. MICHELL : The only difference I can suggest is that you will have to go back to where the mill with the lowest stock cuts out.

The CHAIRMAN : That would certainly suit the policy from Canberra.

10 Mr. VICARS : Speaking now as a worsted mill, our stocks are always at a minimum when prices are high and we cannot carry on past the end of September on our worsted stocks. There may be one or two lines where we will be able to carry on but we will not be able to carry on much longer.

The CHAIRMAN : The discussion is leading to two stories, one is the woollen story and the other the worsted story.

Mr. VICARS : I am referring to known facts.

20 Mr. GRAY : We find in Tasmania when we are operating in the early season relying on shipping only for getting our goods over, it is from five to six weeks delay and our stocks have to be, at least, one month under reasonable parity and if it were fixed for the end of November our position would be that we should have until the end of December at the very earliest and our normal position is longer than that. Normally we endeavour to end in the vicinity of seven months and we have acted on that and that was accepted by the Commission previously as a reasonable stock.

The CHAIRMAN : There seem to be two things, one is to fix the date on the holder of the smaller stocks and the other is to fix it on the holder of the largest stocks, it must be in between.

30 Mr. MORWOOD : I think the majority of the woollen manufacturers carry, at least, six to seven months' stock while the worsted section is much shorter in supplies.

It would seem to me that the community could carry an extra burden on the worsted side whereas it will definitely be a burden particularly on the working section of the community on the woollen side, who rely on flannels and blankets and that sort of manufacture. If the price could be extended on the woollen end further than on the worsted end, it may determine what could be arranged between the two sections.

40 Mr. WILLIS : As far as the community is concerned the effect would be much worse from the point of view of worsteds than woollens because it will affect the wages, the index on which the basic wage calculations are made.

Exhibits.

3.
Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

Mr. VICARS : And the fact that the worsted market rose considerably more than the woollen market.

Mr. WILLIS : Yes.

The CHAIRMAN : The period seems to range from three months to seven months ; three months on my left and seven months on my right, and it looks as if neither of those periods will be satisfactory so there will have to be something in between and I had hoped you would have a little more unanimity.

Mr. VICARS : How can we suggest a period when we do not know what wool is held by the mills, some mills may only have three months and others 10 seven months. We might like it to be six months but we cannot say it because we might be annihilating somebody out at the expense of others but we do not know.

The CHAIRMAN : The mill which is carrying three months' stock is not observing ordinary commercial procedure.

Mr. VICARS : We are observing ordinary commercial procedure and we always carry minimum stocks when wool is high, at this time of the year.

The CHAIRMAN : So far as the Australian manufacturer is concerned, wool has been the same price for a long time. 20

Mr. MICHELL : It has been the Commission's instruction to us to carry the absolutely minimum stocks and we have endeavoured to carry that out.

Mr. McDOUGALL : It has been very difficult to increase one's stocks if one wanted to carry increased stocks. By to-night I hope to have four months' stock of worsted and six months' of woollen. *

The CHAIRMAN : I agree with you in regard to the worsted wool because there is a shortage of worsted wool, but there is no shortage of wool.

Mr. VICARS : There is no reason why we should have six months' 30 stock if we do not want to.

The CHAIRMAN : I agree with you.

The first thing, it has been suggested that consideration be given to the question, or the point of view, that the worsted trade and the woollen trade be treated separately, are you all agreed on that? (*No response.*)

Will you make a note of that, Mr. Willis? That will mean that we will have to make allowance for that in the Return of stocks. They will have to be shown separately, woollen and worsted stocks.

I am afraid I cannot answer the point as to what would happen to the man who possesses only three months' supply of wool if the deadline is to be fixed at five months because the only solution to that is to go into the market at once and buy up sufficient quantities to bring it up to the level of the others ; which he could not do, we admit that.

Mr. VICARS : No. It would be quite hopeless.

Mr. KELLETT : Then at the end of three months he might go into a lower market.

The CHAIRMAN : Can I take it that you, as a body of manufacturers, would not agree to any manufacturers being allowed to get an uncontrolled market before the other manufacturers ?

Mr. KELLETT : It would not be fair.

The CHAIRMAN : You would not agree to that ?

Mr. VICARS : We feel everyone should go in together.

The CHAIRMAN : Yes.

Mr. VICARS : It is only a matter of finding ways and means to do it.

Mr. WILLIS : Is it not a fact that in this industry you will have certain wools of a certain type for the winter trade which you might not use for seven months and might you not have wools which would come into the market again in three months ?

Mr. GRAY : Yes.

Mr. WILLIS : In relation to that question are we not talking about a deadline on which you will have many anomalous positions but you would have them in normal practice. You will have those problems whether you are faced with stocks or not.

Mr. VICARS : You cannot avoid that.

Mr. MICHELL : Is the Commission's view that all wools do not necessarily have to be sold at that date at controlled prices and after that date they will be sold at uncontrolled prices. In retaining stocks of a certain type they will be holding wools at higher prices and unsubsidised wools will take their place.

Mr. WILLIS : On the 30th September the States will take over Price Control, and take over Price Control with the knowledge that subsidised stocks are worked out and, at the moment, they are making decisions as to what is to be done with goods moving from any unsubsidised market. I think you will have to face the problem of some wools running out before others and some prices rising before others, no matter what

Exhibits.

3.

Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

Exhibits.
 3.
 Transcript
 of Pro-
 ceedings of
 Meeting
 between
 Australian
 Wool
 Realisation
 Commission
 and
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 24th June
 1948,
continued.

happens. I think prices also will have to be adjusted and made elastic, plus the fact that there will be a tendency for these things to iron themselves out. I think that, on a broad basis, that will happen.

Mr. McDOUGALL: The Prime Minister was quoted as having made the statement that prices would not rise for a year.

Mr. WILLIS: One statement I saw mentioned from nine to twelve months.

Mr. McDOUGALL: Where does the wool manufacturer come in? Assuming he has only got five months stock or four months stock, is that statement anything like a reality, that the manufacturer is not permitted to raise prices in the interval, is he to go into the market and pay full market prices for his wool? He would go into liquidation. 10

The SECRETARY: That is not a matter that the manufacturer can view lightly, to enter into competition with subsidised wools. He would not be able to sell his products.

Mr. McDOUGALL: There will be an advance of prices.

Mr. WILLIS: Does not that lead you to this, when talking of average prices, it would be dangerous for one group to possess more than another.

Mr. KELLETT: Yes. It is dangerous.

Mr. McDOUGALL: What is the normal procedure? 20

The SECRETARY: You could not expect normal procedure with one mill having four months' stock and another mill having seven months' stock.

Mr. McDOUGALL: I am thinking more particularly of worsteds and not wools.

Mr. WILLIS: How would you be with the general position if the wool market started to show some marked fluctuations at the opening of the season, for the first six months of the season as regards prices.

Mr. McDOUGALL: We have no say now in the price of goods. It is Price Control. Unless there is a terrific shortage of the type of goods the manufacturers could buy the wool which naturally would put up the cost of his goods relatively to price of subsidised wool and he, probably, would not be in a position to sell his goods in competition, unless there is a distinct shortage in that type of goods. 30

Mr. WILLIS: That is a normal characteristic.

Mr. COGHLAN: I do not think there is any difference. Some may have more stocks than others. Assuming the prices altered after July, the chap with the larger stocks might have some advantage.

Mr. WILKINSON : He may be at a disadvantage if prices fall.

The SECRETARY : Yes.

The CHAIRMAN : There is the possibility of adjusting the position by transferring stocks between the manufacturers. Have you given any thought to that, Gentlemen ?

Mr. VICARS : No.

Mr. STANLEY : We have never thought of it.

Mr. WILKINSON : I cannot see them agreeing to that, Mr. Chairman.

The CHAIRMAN : It only occurred to me that the manufacturer holding seven months' stock and two months to go and these stocks are declared unsubsidised, he may be very glad to get rid of some of them.

Mr. WILKINSON : It depends on the wool market.

The SECRETARY : Yes. The wool market in the future.

Mr. VICARS : If that were done it would have to be done during the intervening period, before the new season opens.

Mr. WILLIS : There are some thousands of bales of wool not yet used. They were given on the condition that they would be utilised in manufacture. They are in the hands of the manufacturers but they have not yet been used.

20 Mr. STANLEY : Pressed wool ?

Mr. WILLIS : Yes.

Mr. BLACKBURN : It has not yet been established whether it is the opinion that Price Control is going to remain. There is a small minority who would like Price Control abandoned altogether.

Mr. WILLIS : The conditions under which this subsidised wool is being made available are, in the words of the Prime Minister, that it should be used in the manufacture of goods under controlled prices.

Mr. STANLEY : That is only natural. The idea of subsidised wool is that it is for local manufacture. It may still envisage Price Control or it might envisage no fixed prices.

Mr. WILLIS : That is a matter entirely for the State Governments.

Mr. STANLEY : God help us.

Mr. BLACKBURN : You would not like us to pay a big subsidy and say : " That is the finish," because the minority would like to do that.

Exhibits.

3.

Transcript of Proceedings of Meeting between Australian Wool Realisation Commission and Advisory Committee of Wool Manufacturers, 24th June 1948, *continued.*

Exhibits.

3.

Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

The CHAIRMAN : You can take it for granted that the policy of Canberra is the consuming public must receive the benefit of subsidies.

Mr. STANLEY : Otherwise it would disturb the national economy. I am not in that minority.

The CHAIRMAN : The great problem seems to be the disparity of stocks.

Mr. COWIE : The reason the manufacturers have five or six or seven months' supply is so that they will have the old season wool to mix with the new season wool when it comes along. You cannot say that we will cut out all the old season and start on the new season because you will get quite different material in one establishment from what you would get in another, and the idea is to over-lap by a blend of three months' new wool with the old wool. In practice it could not be done. 10

The CHAIRMAN : I quite agree with you but once we settle the main principle, of the period, I think that difficulty will more or less disappear.

Mr. GRAY : It has always been the principle of the Realisation Commission that we should purchase enough wools to carry ourselves over from one year to the next year and that the wools will be available. That is a very clear line of demarcation and I feel if that principle is followed, that the stocks are no more than the preceding year, and your orders are on that basis, then you should automatically receive the subsidy and not have to repay the subsidy of those wools. That is the point that we have taken for granted. Actually our balancing date was earlier than the 30th but that was always taken in as a matter of principle when balancing. It would be a matter of embarrassment if that were altered in any way. 20

The CHAIRMAN : That is true, but you yourselves have subscribed to the principle that no manufacturer should be allowed into an uncontrolled market before any other manufacturer.

Mr. GRAY : That is so but something should be done to bring them into line. 30

The CHAIRMAN : Have you got any suggestions that would enable that to be done ? I have already mentioned the transfer of stocks from one manufacturer to another. The problem is not so much the man who has stocks over and above the period fixed, but the problem is the man who has not got sufficient stocks to carry him over.

Mr. GRAY : Is it not at all possible to release stocks out of next season ?

The CHAIRMAN : There again, that would necessitate another approach to Canberra to get their agreement to continue a partial subsidy for the first two or three months of the next selling season for those few mills in that position. 40

Mr. VICARS : That is the only outlet I can see as they have not the time to build up their stocks. We could not see anything other than protection be granted them by a subsidised price. That was mentioned in our first statement and I think you agreed that was not possible.

The CHAIRMAN : That is not possible on the present decision.

Mr. STANLEY : If it were decided that the deadline be 30th November and some mills had enough stocks only for two months, those mills should be given subsidised wools.

The CHAIRMAN : Or wool transferred from other centres.

10 Mr. GRAY : If you transferred the wool, would it not upset the manufacturer ? If we transferred those stocks to another mill, would it not upset the position ?

The CHAIRMAN : That would be all right if we had not some evidence that some manufacturers still carry appraisalment stocks.

Mr. VICARS : I do not think that would be enough to cover the difference. I do not think there are many manufacturers who can command over 1,000 bales without embarrassment to themselves, because of the types they use.

20 Mr. GRAY : You mentioned earlier that a mill had two years' stocks on the last check-up. That does seem to be an extraordinary position.

The CHAIRMAN : These extraordinary things happen.

Mr. BRIGGS : Does that mean the mill had sufficient wool to cover three years or does it mean particular types ?

Mr. WILLIS : In total. We had to carry wool at the manufacturer's risk until the time when the position was cleared.

30 The CHAIRMAN : I think we have got as far as we can on that aspect. It seems clear that your view is the problem arising mostly in respect of the man who is short of stocks to enable him to carry on and to get sufficient wool to carry him to the fixed period and your suggestion is that he should be allowed to buy in the forthcoming season on the subsidised basis, sufficient wool to bring him into line with the five months or 5½ months' period, whichever is fixed, is that clear ?

Mr. STANLEY : I think that is the only equitable basis. Take my case, I have until November for the deadline but what about the contracts ? There is the other chap.

The CHAIRMAN : That again, of course, is going off into a side track and I suppose there are many things like that.

Mr. STANLEY : All the wool we have bought is for orders and at the end of July there will be no stock.

Exhibits.

3.

Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,

continued.

Exhibits.
 —
 3.
 Transcript
 of Pro-
 ceedings of
 Meeting
 between
 Australian
 Wool
 Realisation
 Commission
 and
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 24th June
 1948,
continued.

The CHAIRMAN : There is one thing in favour of the suggestion that the manufacturers be allowed to buy but if the public is to receive the maximum benefit then something like that is almost essential.

Mr. STANLEY : Yes, it is essential from the national income too.

The CHAIRMAN : Mr. Willis reminds me that the principle like that, when once established for wool, would have to be carried into other commodities and it is not very reassuring after we have got somewhere.

Mr. CRIBB : May I suggest if that is not permissible, to allow them to purchase and it should be based on the low stocks. Arrangements could be made for the subsidy in relation to the wool in hand. It seems to me to be very unjust to penalise somebody who has only three or four months' wool. They are not going to benefit. If you start on the lower stocks, say three months, everybody will be on an equal footing. 10

The CHAIRMAN : Yes. That is made somewhat difficult by the pronouncement that has already been made from Canberra in which the Prime Minister said you need not expect a price rise for 12 months. These things add to the difficulties in a problem like that.

Mr. STANLEY : The Prime Minister's statement would lead the public to believe that five months' stocks were being held.

Mr. PONTEFRACT : Worsted until December and wool until 20 January.

The CHAIRMAN : We are very glad to have your views, gentlemen. I suggest that we now have the broad points and we will have to go into them and probably confer with the people in Canberra and we will remember your views on this matter. It is not an easy matter.

Mr. BRIGGS : Dealing with those companies that are in possession of stocks for a longer period, I am speaking more particularly of those that are moderately stocked, who have an excess over the deadline period, whatever that happens to be, wool that has been purchased over the last two months, where the subsidy might be £50 or £60 and part of that subsidy is withheld, it is going to have some sort of effect on the manufacturer who will have to build up his wool purchases, some purchased earlier in the period when the subsidy was £40. 30

The CHAIRMAN : Yes, we realise that. I think we will have to devise some method of arriving at a figure to pay all the manufacturers on the same basis.

Can we now go on to the next point ?

Mr. VICARS : I think the grounds have been almost covered by the paragraph (B).

“(c) Eligibility of subsidised wool for use in the manufacture of goods for export, pending the ability of the manufacturer to obtain additional wool from the market for export trading.” 40

Mr. VICARS : Regarding (c) it is our opinion that we should be allowed to carry on until the end of this year on the same method as we have been doing over the first period of the year, whereby we export our goods and pay the surcharge at rates which have already been fixed, for the second half of this year.

The CHAIRMAN : All the Commission is concerned about there is this—in the event of subsidised wool being used in the manufacture of goods for export, the Commission protects the revenue by the collection of the proper rebates and the Commission also has to be quite sure that no exports get away without the rebate being paid, that is on goods which include in whole or in part subsidised wool.

Mr. VICARS : That has been the practice during the past period and I suggest it should be continued.

The CHAIRMAN : How long do you think ? It says here it should remain in force for 12 months, is it your opinion that little or no subsidised wool will be left within 12 months ?

Mr. VICARS : A shorter period than that.

Mr. STANLEY : I think one month.

The CHAIRMAN : That is not our experience. We have earlier returns and some manufacturers are holding wools as far back as the appraisalment.

Mr. VICARS : It would be possible, in many instances, to obtain that by the end of this year, for the export trade next year and, therefore, a period up to the 31st December might be a satisfactory answer to it.

The CHAIRMAN : That is not the view of the Commission. We do not think six months would meet it because our experience is that some manufacturers would still hold subsidised wool and might attempt to export them after six months.

Mr. VICARS : They would have to make a declaration.

The CHAIRMAN : Yes.

Mr. VICARS : The same thing comes up to-day if the manufacturer wishes to avoid it.

Mr. WILLIS : In Canberra that question was raised not only in regard to wool but in regard to other commodities which were subsidised. There was a prohibition on articles in relation to the subsidy and before the Government lifts the prohibition they want to be assured in relation to the subsidised article, that they have gone into local consumption. The Commission, acting as agent, will have to assure the Government in relation to the 30th of June 1949 that the subsidised wools have been used and we are fairly able to say that no manufacturers are holding

Exhibits.

3.

Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

Exhibits.
 3.
 Transcript
 of Pro-
 ceedings of
 Meeting
 between
 Australian
 Wool
 Realisation
 Commission
 and
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 24th June
 1948,
continued.

subsidised wools back and could not export the goods and thus obtain a benefit through the subsidy, after the drawback of prohibition had been lifted.

The CHAIRMAN : I am not at all concerned about (c) because this is a matter that can easily be looked after and the view is that subsidised wool will be out of existence within six months.

Mr. VICARS : We are very interested about the six months next year. At the present time, we have withdrawn prices for overseas goods.

The CHAIRMAN : I am not at all worried about (c). It is only a matter of close watching, and exports are a thing you can watch. 10

Mr. VICARS : Can we take it we can carry on our present policy until the end of the present year, or the 30th of June 1949 ?

The CHAIRMAN : The 12 months applies only to the prohibition on exports. It enables exports to be watched for the rebate of the subsidy. There is no question of manufacturers' policy involved in that at all.

Mr. MICHELL : What would be the position where establishments held stocks after the 30th June ?

The CHAIRMAN : That is ordinary business procedure.

Mr. MICHELL : If it has to be exported on the 30th June—

The CHAIRMAN : I did not say that at all. All I want to see is if 20 any exported goods are of subsidised wool, the Government will get the rebate. Even if it be within another six years.

Mr. GRAY : That is perfectly satisfactory.

Mr. STANLEY : You are not tying us down ?

The CHAIRMAN : No.

Mr. WILLIS : It means that the subsidy is not to be used in order to obtain a higher profit.

Mr. VICARS : That is perfectly satisfactory.

The CHAIRMAN : That brings us to (D).

“(D) Policy relating to subsidy drawback on noils and wastes.” 30

The CHAIRMAN : There is nothing in (D).

Mr. VICARS : No. We suggested (D) was similar to (c).

The CHAIRMAN : We have gone into the question of declared stocks and we have agreed, I think, on the form of the Return. We will set out the directions in accordance with the agreement reached this afternoon. It is a clear definition of the Stocks to be returned.

Mr. WILLIS : We made a mathematical calculation and the noil subsidy is about one-half and it is recovered on the tops. Sometimes that means the manufacturer obtains less for his noils and sometimes more. In the earlier parts of the 1946-47 season, it was more profitable but there has been a trend, at the moment, and it is less profitable but with changes in prices it might mean that they will become profitable. That is the type of thing which will, I think, iron itself out.

Mr. COGHLAN : The prices are low now and they may come back again at any time.

10 Mr. STANLEY : The noil market and the buyers' market on the other side are not the same.

Mr. WILLIS : The prices of noils vary.

Mr. STANLEY : Yes. If you take 3d. off the market for noils you will have to add that to the rebate on tops ; in other words you would not be any better off.

The SECRETARY : You must.

The CHAIRMAN : I do not think you need waste any time on that item.

20 That brings us to the end of the items in the letter which you discussed this morning. Have you any other matters that you wish to bring before the Commission ?

Mr. VICARS : There is one matter regarding the payment of subsidies on wools already purchased, as to whether we can expect quick payment of them or otherwise ?

The CHAIRMAN : That again depends on the solution of the major problem.

Mr. VICARS : I appreciate that, although from the manufacturers' point of view the bulk of the manufacturers have bought it in good faith, under normal procedure, and they expect to receive payment.

30 The CHAIRMAN : All I can say is I can see nothing, myself, to hold up the subsidy to manufacturers who hold stocks within the prescribed period. I can see it being held above the prescribed period.

Mr. VICARS : Does that mean another delay until these Stock Returns are sent in ?

40 The CHAIRMAN : Yes, inevitably. If we are satisfied that manufacturers are holding only normal stocks, then there should be no difficulty in getting the granting of the subsidy. They have been given advances to manufacturers but you must realise at this particular point that if it is a question of unsubsidising some of the wools already purchased, we must watch the financial aspect of that very closely.

Exhibits.

3.

Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

Exhibits.

3.

Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

Mr. GRAY : When are we likely to have a decision about the prescribed period ?

The CHAIRMAN : I was hoping that this meeting would have arrived at something concrete but it has not. The only thing we did reach was that something should be done to enable people who are short of stocks, to get wool out of next season's clip.

So far as my own view is concerned, I feel whatever discussion has taken place on this at Canberra, has been based on the recognised holding of stocks by mills, which is generally accepted as a six months period. That is accepted world wide. 10

The SECRETARY : I hope the discussion will be sufficient to interest the buyers in the three centres.

Mr. VICARS : You can forget it.

The SECRETARY : There is Melbourne and Brisbane.

The CHAIRMAN : Some wools will be available and will allow the manufacturers who are short of stocks to buy next season sufficient wool to bring them up to the line fixed.

Mr. Willis reminded me some little time ago that the suggestion might involve other commodities, in what way would it involve other commodities, Mr. Willis ? 20

Mr. WILLIS : An arrangement has been made to subsidise cottons and rayons and there will be imports at this time of the year and they will stop at a date related to the stopping date of the wool subsidies and it would only be reasonable for the others to say that the date should be extended to them and we might expect competition coming back from them. There would be large volumes of other subsidised textiles and it would involve the Government in being asked to extend the time at a time when everybody is pressing for tax reduction. You might find yourselves involved in subsidies amounting to £10,000,000.

Mr. STANLEY : Surely it would only involve £2,000,000. 30

Mr. WILLIS : We do not know how many people are short.

The CHAIRMAN : Would you say, Mr. Vicars, whether there are many manufacturers who carry only three months' supplies ?

Mr. VICARS : No. I think we have apparently been a little too strict in interpreting matters. The three months I refer to related to wool stocks only. That is my average between the two, that we can carry on for three months. Both stocks are very low and it has been our endeavour to keep them low for financial reasons because the prices are high.

The SECRETARY : This wool will not be cleared by the 30th June. 40

Mr. WILLIS : It will be provided for.

The CHAIRMAN : I do not know that we can get any further. It has been very interesting. In the first place, whatever is arrived at should be arrived at in agreement and that is why we thought it advisable to consult you as early as possible.

We will now present your representations to Canberra and a good deal, I think, may depend on the story that is told by the Stock Returns. That is my view. How long will it take you to furnish these Stock Returns ?

10 Mr. STANLEY : It will be several weeks ; not before the 14th July. It is a matter of the invoices coming down.

Mr. GRAY : You do not have to wait for the invoices.

Mr. VICARS : I do not see why an estimate, which would be very accurate, could not be made within seven days.

Mr. WILLIS : The preliminary estimate should be very close.

Mr. VICARS : We could average it.

Mr. STANLEY : The quickest would be from the invoices next week.

20 The CHAIRMAN : We would not want the Statutory Declaration with the preliminary reports. What is the best procedure, Mr. Willis ? Could you send out a request at once and notify them that they will have to be followed by the statutory returns. We will issue a request at once or preliminary returns of stocks as at the 30th June and notify the manufacturers that the statutory Return will have to follow as quickly as possible and we will then have a definite return in accordance with the agreement reached this afternoon.

Mr. McDOUGALL : That is for the preliminary Returns ?

30 Mr. BLACKBURN : If these preliminary Returns are acceptable, it has been reported to me that your accountancy section is holding up the payments back to February and March and we have been penalised by being kept back from February.

The CHAIRMAN : As far as the Commission is concerned, if we are satisfied that a manufacturer is not holding stocks likely to exceed the period fixed, there is no reason for withholding the subsidy.

Mr. McDOUGALL : Are the preliminary Returns in bales ?

Mr. WILLIS : Weight.

The CHAIRMAN : Show it in bales and give the average weight.

Exhibits.

3.
Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

Exhibits.
 3.
 Transcript
 of Pro-
 ceedings of
 Meeting
 between
 Australian
 Wool
 Realisation
 Commission
 and
 Advisory
 Committee
 of Wool
 Manu-
 facturers,
 24th June
 1948,
continued.

Mr. McDOUGALL : Reference was made to other subsidised materials such as cotton, can we assume cotton will be subsidised to the same date, equally with wool ?

Mr. WILLIS : I think subsidised cotton will not be given an advantage over wool.

Mr. McDOUGALL : It would not have a lesser advantage ?

Mr. WILLIS : I would not say so.

The CHAIRMAN : I would like to see the question of subsidised wool separated but whether that is possible I do not know. We shall make every endeavour to do it. 10

The manufacturers subscribe to the idea of the deciding line being fixed on the average stocks held by the manufacturers ?

Mr. VICARS : Subject to the conditions that would apply to those over-stocked and those under-stocked.

The CHAIRMAN : That is subject to the recommendation you have already made.

Mr. BRIGGS : There are distinctions that are different. The same problem would arise in regard to them.

The CHAIRMAN : On this problem it is much better to arrive at a thing by agreement and if that cannot be done Canberra will have to fix it for you and you may not be satisfied. 20

Mr. McDOUGALL : In the Stock Return, we will show the wools as distinct from the worsteds.

The CHAIRMAN : Yes, we are going to do that.

Mr. McDOUGALL : Are you interested, at this stage, in the question of unsubsidised stocks ?

The SECRETARY : We have asked for that.

Mr. WILLIS : We are but we under-estimated your usage.

Mr. McDOUGALL : Which is not used for further manufacture in Australia ? 30

The CHAIRMAN : No. We are not interested in that at all. It is purely in relation to the manufacture.

Mr. VICARS : Will that be made clear in the circular ? Some of us are carbonisers as well as manufacturers.

The CHAIRMAN : We do not expect a return from the carbonisers.

Mr. COGHLAN : Unsubsidised combing wools, are they of interest to you ? *Exhibits.*

The CHAIRMAN : If they are exclusively used for export, they would have to be returned separately.

Mr. GRAY : Where is the usage calculated from ? Is this Return not only just confined to stocks ? Is there a section in this Return showing the usage ?

Mr. WILLIS : Yes, it is set out.

10 The CHAIRMAN : In view of the difficulties of this problem, and if we can isolate the problem, would it be possible, Mr. Willis, for the Treasurer or the authorities in Canberra to provide an adjusted amount for us within the financial year ?

Mr. WILLIS : I do not think they would be able to do that. They could not provide an amount this year against next year's expenditure.

The CHAIRMAN : It would not be a serious matter if the volume of wool purchased because of these short stocks, was small but you will have noticed a very favourable reaction overseas of the termination of the Australian subsidy and we do not want to have subsidised buyers coming into the market in great volume next year.

20 Mr. VICARS : Apparently the volume would be small.

The CHAIRMAN : I suggest we get these preliminary Returns and have a look at them. It may not be anything at all serious.

Is there anything further you wish to bring up ?

Mr. VICARS : No.

The CHAIRMAN : Do you wish to meet this Commission again at a later date and have further discussions in view of things which may happen after these Returns are received and further discussions before we go to Canberra ?

Mr. VICARS : I think we would like the opportunity of doing so.

30 The CHAIRMAN : Very well.

Mr. VICARS : We would appreciate it.

The CHAIRMAN : We will arrange another meeting, Mr. Willis, as soon as we know the position, as informed by the manufacturers.

Mr. WILLIS : Very well.

3.
Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

Exhibits.

3.
Transcript
of Pro-
ceedings of
Meeting
between
Australian
Wool
Realisation
Commission
and
Advisory
Committee
of Wool
Manu-
facturers,
24th June
1948,
continued.

Mr. STANLEY : You refer to preliminary Returns as at 30th June, if we could get the final returns in by the 7th July, would that be satisfactory ?

The CHAIRMAN : I suggest every day counts in this matter. The Prime Minister is going overseas. We propose to send out the request immediately.

Thank you, gentlemen. I do not think there is anything more at the moment. We will call you together again as soon as we have the necessary information.

Mr. VICARS : Thank you, Mr. Chairman.

10

At 4.5 p.m. the meeting concluded.

Exhibit H.
SPECIMEN SHEET OF BRAND BOOK.

Exhibits.

H.
Specimen
Sheet of
Brand
Book.

Exhibit H.
SPECIMEN OF WEEKLY SORTING SHEET.

Exhibits.

H.
Specimen
of Weekly
Sorting
Sheet.

Exhibit D.

THE AUSTRALIAN WOOLEN MILLS PTY. LIMITED.

SUMMARY OF GREASY AND SCOURED WOOL PURCHASES FOR 1947-1948 SEASON AND OF SUBSIDY CLAIMED AND PAID FOR 1947-1948 SEASON.

(EXCLUDING 200 B/s GREASY WOOL PURCHASED IN PERIOD AND LATER SOLD TO J. VICARS & Co.)

	No. of Bales Purchased	Total Purchase Price Excluding Charges	Amount of Subsidy Computed by A.W.R.C.	Subsidy Received	Subsidy as computed but not Received
List 1. Greasy Wool	9,353	778,788	466,600	371,941	94,113
List 2. Scoured Wool	262	25,326	14,758		14,758
	9,615	£804,114	£481,358	£371,941	£108,871

NOTE.—Amount of Subsidy computed by A.W.R.C. 481,358 8 3

Less : Amount subsidy received as per lists 371,941 18 10

£109,416 9 5

Less : Amount of subsidy recalled on noils which were exported 545 5 4

Amount of subsidy computed but not received £108,871 4 1

(being the amount shown in letter of 25th February, 1949, from A.W.R.C. to A.W.M.)

Exhibits.
D.
Summary of Greasy and Scoured Wool Purchases and of Subsidy claimed and paid. Season 1947/1948.

Exhibit D.

LIST 1.

Exhibits.

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.

SUMMARY OF GREASY WOOL PURCHASED FOR 1947-1948 SEASON AND OF SUBSIDY CLAIMED AND PAID FOR 1947-1948 SEASON.

D.
Summary
of Greasy
Wool
Purchased
for
1947/1948
Season
and of
Subsidy
claimed
and paid
for
1947/1948
Season.

Sale Date	Place and Sale No.	Agent or Broker	No. of Bales Purchased	Purchase Price (excluding charges)		Amount of Subsidy computed by A.W.R.C.		Subsidy Received		Subsidy as computed but not received				
				Total as per Invoice	Total for Sale	£	s. d.	£	s. d.	£	s. d.	£	s. d.	
13-16/10/47	Melbourne 3	Biggin & Ayrton	307	19,426	2 9	19,426	2 9	10,316	19 2	10,316	19 2			
23/10/47	Albury 2	"	91	5,652	5 9	5,652	5 9	3,026	7 2	3,026	7 2			
28-30/10/47	Melbourne 4	"	47	2,893	8 0	2,893	8 0	1,533	14 7	1,533	14 7			
3/11/47	Melbourne 4	"	17	49,484	13 1	{ 1,012 4 11 }		523	13 8	523	13 8			
5- 6/11/47	Geelong 2	"	662			{ 48,472 8 2 }		27,528	4 4	27,528	4 4			
17-20/11/47	Melbourne 5	"	368	26,182	4 6	26,182	4 6	14,676	1 10	14,676	1 10			
24/11/47	Melbourne 5	"	89	115,696	3 0	{ 6,299 8 5 }		3,559	7 11	3,559	7 11			
26-27/11/47	Geelong 3	"	1,366			{ 109,396 14 7 }		62,273	18 10	62,273	18 10			
4/12/47	Albery 3	"	126	8,595	12 4	8,595	12 4	4,703	4 8	4,703	4 8			
4/12/47	Goulburn 4	"	26	1,832	2 0	1,832	2 0	982	7 0	982	7 0			
3- 4/12/47	Newcastle 4	"	161	13,207	3 0	13,207	3 0	7,612	12 0	7,612	12 0			
18/12/47	Brisbane 4	"	11	869	12 2	869	12 2	526	5 6	526	5 6			
15/12/47	Melbourne 6	"	114	9,316	10 9	9,316	10 9	5,497	19 2	4,952	13 10			
17-18/12/47	Geelong 4	"	2,266	192,850	8 9	192,850	8 9	115,749	4 8	115,749	4 8			
7- 8/ 1/48	Geelong 5	"	729	62,097	13 3	62,097	13 3	36,275	16 10	36,275	16 10			
19-22/ 1/48	Melbourne 6	"	220	17,397	3 0	17,397	3 0	10,365	19 10	10,365	19 10			
28-29/ 1/48	Geelong 6	"	944	85,269	10 3	85,269	10 3	51,329	18 0	51,329	18 0			
2- 5/ 2/48	Melbourne 7	"	131	11,159	9 0	11,159	9 0	6,807	9 2	6,807	9 2			
13/ 2/48	Launceston 5	"	33	3,073	17 7	3,073	17 7	2,092	5 8	2,092	5 8			
18/ 2/48	Hobart 2	"	85	6,745	10 6	6,745	10 6	4,319	13 7	4,319	13 7			
7- 8/ 4/48	Melbourne 9	"	52	4,579	17 11	4,579	17 11	2,786	0 7	2,786	0 7			
14-15/ 4/48	Geelong 8	"	471	42,537	2 1	42,537	2 1	25,353	5 11			25,353	5 11	
19-21/ 4/48	Melbourne 10	"	19	1,730	7 3	1,730	7 3	1,035	6 5			1,035	6 5	
15-17/ 6/48	Sydney 17	N.Z.L. & Merc. Co.	43	4,101	7 4			2,937	8 1			2,937	8 1	
"	"	Pitt Son & Badgery	8	844	19 5			596	5 10			596	5 10	
"	"	Winchcombe Carson	83	8,480	7 11			6,051	13 8			6,051	13 8	
"	"	A.M.L.F. Co. Ltd.	216	21,274	19 3			14,402	15 3			14,402	15 3	
"	"	Schute Bell	49	4,882	7 8			3,498	8 11			3,498	8 11	
"	"	A.M.L.F. Co. Ltd.	35	3,457	1 2			2,398	10 5			2,398	10 5	
"	"	Dalgety & Co. Ltd.	8	847	9 6			567	11 6			567	11 6	
"	"	Dalgety & Co. Ltd.	21	2,015	8 5			1,347	9 2			1,347	9 2	
"	"	Farmers & Graziers	67	6,069	14 1			4,225	16 6			4,225	16 6	
"	"	Country Producers	115	11,130	12 0			7,819	13 2			7,819	13 2	
"	"	A.W.B.P. Co. Ltd.	6	542	13 4			396	0 0			396	0 0	
"	"	"	21	1,987	5 11			1,327	12 0			1,327	12 0	
"	"	"	7	618	1 2			434	5 1			434	5 1	
"	"	Farmers & Graziers	9	688	797	17 7	67,050	4 9	542	13 4			542	13 4
14/ 6/48	Perth 10	Wilcox Mofflin Ltd.	427	40,888	4 5	40,888	4 5	14,494	18 9			14,494	18 9	
22-24/ 6/48	Brisbane 8	Biggin & Ayrton	40	3,830	2 0	3,830	2 0	2,593	12 5			2,593	12 5	
28-30/ 6/48	Brisbane 9	"	63	6,207	4 10	6,207	4 10	4,089	16 9			4,089	16 9	
			9,553	£798,572	12 11	£798,572	12 11							
Less :	200 bales sold to J. Vicars & Co. originally purchased 14/6/48 Perth 10		200	19,784	9 10	19,784	9 10							
			9,353	£778,788	3 1	£778,788	3 1	£466,600	7 4	£371,941	18 10	£94,113	3 2	

Claimed .. 5,497 19 2
Less amount
being amount
recalled on
sale of noils
for export .. 545 5 4

£4,952 13 10

Exhibit D

LIST 2.

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.

SUMMARY OF SCoured WOOL PURCHASED FOR 1947-1948 SEASON AND OF SUBSIDY CLAIMED AND PAID FOR 1947-1948 SEASON.

Exhibits.

D.
Summary
of Scoured
Wool
Purchased
for
1947/1948
Season
and of
Subsidy
claimed
and paid
for
1947/1948
Season.

Sale Date	Place and Sale No.	Agent or Broker	No. of Bales Purchased	Purchase Price (excluding charges)		Amount of Subsidy computed by A.W.R.C.		Subsidy Received		Subsidy as computed but not received			
				Total as per Invoice	Total for Sale	£	s. d.	£	s. d.	£	s. d.	£	s. d.
24/6/48	P.S. 17B	N.Z.L.M.A. Co. Ltd.	65	6,786	1 8	6,786	1 8	3,701	10 0			3,701	10 0
29/6/48	P.S.	Pitt Son & Badgery	40	3,608	0 8	3,608	0 8	2,293	8 1			2,293	8 1
28/6/48	P.S.	"	19	1,960	10 0	1,960	10 0	1,347	16 11			1,347	16 11
24/6/48	P.S.	"	40	3,659	13 8	3,659	13 8	2,297	4 11			2,297	4 11
29/6/48	P.S.	N.Z. Loan	8	817	4 2	817	4 2	438	6 5			438	6 5
30/6/48	P.S.	Riverstone Meat Co.	84	7,885	9 0	7,885	9 0	4,260	13 11			4,260	13 11
"	P.S.	Pitt Son & Badgery	6	609	10 0	609	10 0	419	0 8			419	0 8
			<u>262</u>	<u>£25,326</u>	<u>9 2</u>	<u>£25,326</u>	<u>9 2</u>	<u>£14,758</u>	<u>0 11</u>			<u>£14,758</u>	<u>0 11</u>

Exhibit E.

MEMORANDUM, 13th—16th October, 1947.

LETTER, Commercial Banking Co. of Sydney to Australian Woollen Mills Pty. Limited,
4th November, 1947.

Exhibits.

E.

Memorandum,
13th-16th
October,
1947.

Letter,
Commercial
Banking Co.
of Sydney
to
Australian
Woollen
Mills Pty.
Limited,
4th
November
1947.

-282
EXHIBIT E.

MELBOURNE SALE 3

13/16 October 1947

307 Bales No. 1 on List 1

1947/48 Season Greasy Wool Purchases.

Invoice & weight slips 307 bales

Receipt for payment.

Draft of Biggin & Ayrton drawn on Australian Woollen Mills Pty Ltd

Letter from Bank acknowledging A.W.M. request for credit

Copys covering letter to A.W.R.C. sending subsidy claims.

Note. Copy of letter of request for credit to Bank not in
file. A similar type of letter is attached.

ADDRESS LETTERS TO
Box 2720 G.P.O.
SYDNEY

The Commercial Banking Company of Sydney Limited

Sydney 4th November, 1947.

PLEASE PRINT IN BLOCK
A/AL

The Secretary,
Australian Woollen Mills Pty.Limited,
48 Martin Place,
SYDNEY.

Dear Sir,

As requested in your letter of 3rd instant, we
have instructed our Melbourne Office to negotiate the Sight
Drafts of Messrs. Biggin and Ayrton, 122 King Street, Mel-
bourne, on your Company to the extent of £19,763.14.10 (Nineteen thousand seven hundred and sixty three pounds 14/10d)
if accompanied by Invoices signed by Mr. R. C. Longworth for
307 Bales of wool ex Melbourne Sale No. 3.

The expiry date of the Credit is 18th November, 1947.

Yours faithfully,

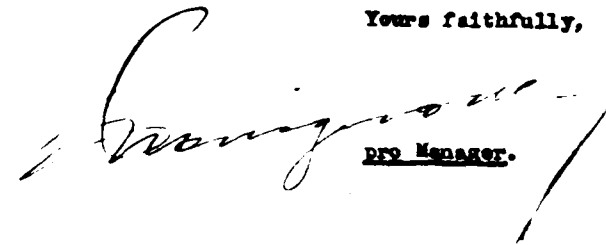

PRO Manager.

Exhibit E.*Exhibits.*

LETTER, Australian Woollen Mills Pty. Limited to Commercial Banking Co., 1st December, 1947.

E.

LETTER, Australian Woollen Mills Pty. Limited to Australian Wool Realisation Commission, 5th November, 1947.

Letter,
Australian
Woollen
Mills Pty.
Limited to
Commercial
Banking
Co., 1st
December,
1947.

Letter,
Australian
Woollen
Mills Pty.
Limited to
Australian
Wool
Realisation
Commis-
sion, 5th
November,
1947.

SECRET

1st December, 1947.

5th November, 1947.

The Manager,
The Commercial Banking Co. Of Sydney Ltd.,
George Street,
SYDNEY.

The Secretary,
Australian Wool Realization Commission,
540/542 Little Collins Street,
MELBOURNE, VIC.

Dear Sir;

Dear Sir;

Kindly refer to Messrs. Biggin and Ayrton
of 122 King Street, Melbourne, the sum of £26,366/19/8d
(Twenty six thousand three hundred and sixty six pounds
nineteen shillings and eight pence) in payment of 368
bales of wool purchased at Melbourne Sale No. 8 due
for payment on the 10th December 1947.

SUBSIDY ON RAW WOOL PURCHASED BY
AUSTRALIAN MANUFACTURERS FOR MANUFACTURE
INTO GOODS FOR CONSUMPTION WITHIN THE COMMONWEALTH

Invoices will be signed, as usual by our
Wool Buyer, Mr. R. C. Longworth.

Please find enclosed Subsidy Statement (in
quadruplicate on the following wool:-

Kindly debit this amount, when paid, against
our current account.

SALE 8 MELBOURNE 307 BALES.

Yours faithfully,

Yours faithfully,

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED

)
) DIRECTORS
)
)
)
) SECRETARY.
)

(J.W.L. CRANE)
Secretary.

Exhibit E.

BILL OF EXCHANGE, 6th November, 1947.

STATEMENT OF SUBSIDY of £10,316 19s. 2d., 13th—16th October, 1947.

WEIGHTS AND PARTICULARS OF WOOL, 13th October, 1947.

Exhibits.

E.

Bill of
Exchange,
6th
November,
1947.

Statement
of Subsidy
of £10,316
19s. 2d.,
13th—16th
October,
1947.

Weights
and
particulars
of wool,
13th
October,
1947.

COMMONWEALTH OF AUSTRALIA.

1947

Australian Wool Realization Commission
Statement of Subsidy due to:-

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED

46 MAR. LN PLACE,

SYDNEY.

on Account of Wool

of (VARIOUS -- AS LISTED BELOW)

Lot	Bales	Fodges	Sacks	Weight in lbs	Average as calculated by the Com- mission per lb	Basic Cost per lb	Subsidy per lb	Place			
								MELBOURNE			
EX G. MORT M₂											
701	4			940	52	24	29	-	113	11	9
	8			2415	52	23	29	-	291	16	3
733	7			1887	52	49	22	27	214	5	1
734	16			4348	51	47	21	26	475	11	3
741	5			1398	52	48	21	27	157	5	6
751	8			2002	52	45	20	25	208	10	10
769	5			1699	52	47	21	26	185	16	7
809	4			1176	52	46	20	25	124	19	-
1056	1			278	61	55	26	28	33	-	3
1061	12			3582	61	50	26	33	496	5	2
1065	4			1235	52	58	25	32	155	19	1
381	6			1850	52	51	24	27	210	1	1
EX A. ESPANES MELB.											
139	5			1635	52	53	23	30	206	1	7
211	4			1245	52	52	23	29	150	8	9
215	17			4934	52	49	21	27	565	7	1
245	10			2521	52	54	24	30	317	15	-
247	4			1050	52	52	23	29	126	17	6
EX F.C. MELB.											
33	4			1218	52	46	20	25	129	8	3
205	5			1348	52	49	22	26	150	4	11
EX A.M.L. MELB.											
270	5			1436	52	53	23	30	180	19	11
271	4			1113	52	55	23	31	147	4	10
275	5			1151	52	54	23	31	149	17	5
326	5			1258	52	53	23	28	148	1	7
327	1			311	61	50	23	26	34	6	10
343	6			1700	52	52	24	27	196	11	3
344	6			1903	52	48	24	23	168	10	6
345	8			2247	52	47	21	26	245	15	4
411	4			996	52	50	23	27	115	3	3
441	4			1269	52	48	22	26	138	15	11
533	1			333	52	50	22	27	38	3	2
276	4			1179	52	53	23	30	148	12	1
464	4			882	52	46	21	25	94	12	8

Forward:-187

58339

T.D. & Co.

6129 19 7

The amount shown herein as a subsidy payment has been calculated in accordance with procedure approved by the Commonwealth Government and is payable on the condition that all wool included in the invoice is to be used for the manufacture of goods for consumption within the Commonwealth.

Payment of this amount is made to you by the Australian Wool Realization Commission AS AGENT FOR THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA, in accordance with the principles of the Price Stabilisation Plan, and the Government retains the right to review and, if necessary, vary the amount of subsidy so paid.

It is an essential condition of payment of subsidy that the wool on which subsidy has been paid should be used by the purchaser for purposes of manufacture, and that no such wool should be resold without prior notification being given to the Australian Wool Realization Commission.

The amount shown on this statement is included in CHARGE No. **ATTACHED.**

Melbourne 6th November, 1947

On Demand Pay to the order of
The Commercial Banking Company of Sydney Limited



the sum of FOUR THIRTEEN SHILLINGS AND TEN PENCE.
value received

To AUSTRALIAN WOOLLEN MILLS PTY. LTD.
SYDNEY.

DRAWN UNDER LETTER OF CREDIT NO. 657 DATED 4/11/47.

P.P. BIGGIN & AYRTON,
Sydney



COMMONWEALTH OF AUSTRALIA

10712

Australian Wool Realization Commission

Statement of Subsidy due to:-

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED

46 Martin Place,

Sydney.

on Account of Wool

(VARIOUS -- AS LISTED BELOW)

(PURCHASING AGENT -- BIGGIN & AYRTON)

GOLDSBROUGH, MOBY & COMPANY LIMITED

INCORPORATED IN AUSTRALIA

13/10/47

Weights and Producers of 4 Lots of GREASY Wool

Form, H No. per Lot. Catalogue No. 3

ORIGIN S/SWITZERLAND Lot No. 791

Catalogue No. 3 Date 13/10/47 to 16/10/47 Place MELBOURNE

B No	Weight	Description
	Gross Lbs.	
93	247	AA
107	243	
140	225	
144	262	
	44	
	949	

I hereby certify that contributory charge has been paid in respect of the wool specified herein, or that arrangements have been made to my satisfaction for payment of the charge due in respect of that wool, and that that wool is exempt from payment of the charge.

H. J. Hebble

Deputy Commissioner

Inscribed for Wool Contributory Charge.

Lot	Bales	Fodges	Sticks	Weight in Lbs	Average of contents by the Commission per lb.	Basic Cost per lb.	Subsidy per lb.	Amount
<u>Forwarded 187</u>				52339				6129 19 7
<u>EX J. Z. L. MELB.</u>								
				1465	59	26	32	199 18 3
				1127	57	25	32	151 8 10
				1402	54	24	30	176 14 3
				1054	55	24	30	133 18 11
				1713	52	23	29	213 6 10
				174	10			418 12 6
				1241	54	25	28	148 13 3
				809	2			53 2 10
				441	7			213 13 11
				2358	43	21	21	139 17 7
				460	4			241 13 2
				1136	52	23	29	180 11 8
				461	7			175 4 3
				8090	50	23	27	229 7 1
				1970	43	21	22	160 8 8
				464	5			
				1572	49	22	26	
				340	7			
				8080	51	24	27	
				428	5			
				1413	51	24	27	
<u>EX G. W. P. MELB.</u>								
				8010	52	24	27	232 8 2
				1435	54	24	29	176 7 9
				1298	55	32	32	177 2 6
				1067	49	22	27	121 3 -
<u>Y BAND. MELB.</u>								
				606	49	21	28	70 14 -
<u>EX DALGETY & CO. MELB.</u>								
				1046	58	27	31	137 5 9
				780	60	27	33	108 1 3
				1433	60	27	33	198 10 7
				956	58	26	32	129 14 7
<u>TOTAL</u>	<u>307</u>			<u>87481</u>				<u>£10316 19 2</u>

Copy to Mike 9/11/47
T.D. & Co.

The amount shown herein as a subsidy payment has been calculated in accordance with procedures approved by the Commonwealth Government and is payable on the condition that all wool included in the invoice is to be used for the manufacture of goods for consumption within the Commonwealth.
Payment of this amount is made to you by the Australian Wool Realization Commission AS AGENT FOR THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA in accordance with the principles of the Price Stabilization Plan, and the Government retains the right to review and, if necessary, vary the amount of subsidy so paid.
It is an essential condition of payment of subsidy that the wool on which subsidy has been paid should be used by the purchaser for purposes of manufacture, and that no such wool should be resold without prior notification being given to the Australian Wool Realization Commission.
The amount shown on this statement is included in GOSBARK No. ATTACHED

Exhibit E.**INVOICE for £19,763 14s. 10d., 6th November, 1947.****LETTER, Biggin & Ayrton to Australian Woollen Mills Pty. Limited, 29th October, 1947.****RECEIPT for £19,763 14s. 10d., 6th November, 1947.****CHEQUE COUNTERFOIL, 7th November, 1947.***Exhibits.*E.Invoice
for £19,763
14s. 10d.,
6th
November,
1947.Letter,
Biggin &
Ayrton to
Australian
Woollen
Mills Pty.
Limited,
29th
October,
1947.Receipt
for £19,763
14s. 10d.,
6th
November,
1947.Cheque
counterfoil,
7th
November,
1947.

COUNTER MARKED.

A W OVER LETTERS IN CIRCLE

290

Melbourne 6th November, 1947

Invoice for 307 Bales Wool purchased and shipped
 for to SYDNEY for account of
 The Australian Woollen Mills Pty. Ltd. by Biggin & Ayrton
 Wool Buyers

Freight *Guany*

~~Wool Sale No. 3.~~

307	Bales Wool	19763	14	10
-----	------------	-------	----	----

Exchange *days at sight*

		19763	14	10
--	--	-------	----	----

DRAWN AT SIGHT THROUGH THE COMMERCIAL BANKING CO. OF SYDNEY LTD.

Certified Correct

Richard Longpré

TELEPHONE NO. (1 LINE) MB 1818 CODES USED PRIVATE MB 1819 BENTLEY'S A B C ST. EASTON



HEAD OFFICE SYDNEY

CABLE ADDRESS:

"BIOON" MELBOURNE
"BIOON" ADELAIDE
"STAFFA" SYDNEY
"STAFFA" BIRBAIRN

TELEGRAMS:

"BIOON" MELBOURNE
"BIOON" ADELAIDE
"STAFFA" SYDNEY
"STAFFA" BIRBAIRN

Wool Exchange,
122-138 King Street,

Melbourne, 29th October, 1947.

The Secretary,
Australian Woollen Mills Pty/ Ltd.,
SYDNEY.

Dear Sir,

We enclose herewith invoice and weight notes for 307 bales wool purchased ex Melbourne, Sale No.3. and shall be glad if you will arrange credit to cover same prior to the due date viz; 5th November.

2/11 3/11

*Sincerely yours
for 7/11/47*

Yours faithfully,

p. p. BIGGIN & AYRTON,

Richard J.

No. 1050

Melbourne,

Received by Cash from

the sum of *£ 100 00*
Pounds *00* Shillings *00* Pence
for *307 Bales Wool*

For BIGGIN & AYRTON

£ *100 00*



No. A 67582 582.

7 NOV 1947 19

Received from

The Australian Woollen Mills
Pty. Limited

£ 100 00
Three hundred and no
only

S. J. Jones

Exhibit E.

INVOICE for £19,763 14s. 10d., 22nd October, 1947.

Exhibits.

E.
Invoice
for £19,763
14s. 10d.,
22nd
October,
1947.

COUNTER MARKED

A W OVER LETTERS IN CIRCLE

MELBOURNE, 22nd. October, 1947.

CREASY
ROCKELEY
CAMERON

INVOICE for 307

Bales Wool purchased and shipped per

to SYDNEY

for account of THE AUSTRALIAN WOOLLEN MILLS ESTD. by SYDNEY.

BIGGIN & AYRTON,

WOOL BROKERS.

ORDER No

SALE NO. 3.

Lot	MARKS	BALES	DESCRIPTION	TYPE OR QUALITY	YIELD	NETT LBS	PRICE						
EX G. MORT. M. 13.10.47.													
7-	S/SWITZERLAND	4	AA			940	52½	206	12	1			
724	GGF/KOORINGA	8	AAA CBK/E/W/H			2415	52½	530	15	11			
733	HLW/WOOLLEN	7	AAA CBK			1887	51½	406	17	8			
734	"	16	AA CBK			4348	51	923	19	0			
741	TCF/KANTHRA	5	AAAX			1398	52	302	18	0			
755	HBT/WOKOLENA	8	AAA FX H/E			2002	47½	394	2	11			
769	AVL/HEKALLA	6	AAA CBK			1699	52	368	2	4			
809	WB/WINTOON	4	AAA CBK			1176	50	245	0	0			
1056	PINEVIEW/EG	1	SUP H AAA			278	61	70	13	2			
1061	WBB/ELIMATTA	12	AAA M/H			3582	61½	921	12	5			
1063	"	4	AAA COM			1235	58	298	9	2			
Pt.													
381	HAMBROOK	6	AAA F CBK			1850	52	400	16	8			
EX A. ESTATES MELB.													
139	JMD/BAKELY	5	AA MF			1635	53½	366	3	5			
211	D IN CIR/ESTATE	4	COM B			1245	49½	256	15	8			
215	TILPA/HEKALLA	17	AAA COM			4034	52	1069	0	8			
244	W/MAT	10	AAA COM			2981	52½	554	1	11			
?	"	4	AA COM			1050	49½	216	11	3			
EX V. P. C. MELB. 14.10.47.													
33	OJH	4	AAA F CBK			1218	48	243	12	0			
205	APV/ KAHIVA	5	AAA E/W			1348	49	275	4	4			
EX A. H. L. MELB.													
270	AV/C	5	AAA COM			1436	58	347	0	8			
271	"	4	AAA			1113	57½	267	16	4			
275	JH/H'COSE	5	H FLC AAA			1151	58	278	3	2			
326	BOUNTYVIOLET/T	5	A CBK			1258	54	283	1	0			
327	HEKACHAN	1	1ST AAA CBK H			311	51	66	1	9			
343	REG/ROSTYHUNK	6	AAA CBK			1700	52½	371	17	6			
344	"	6	"			1703	51½	367	4	2			
345	"	8	AA CBK			2247	48½	451	14	10			
411A	F IN CIR/ IFURRINGSS	4	AA CBK/H/E/			996	54	224	2	0			
648	LANARDALE	4	AAA X			1269	52	274	19	0			
533	HYP/HEKACHAN	1	AAA B			333	50	69	7	6			
276	"	4	COM B			1179	56½	276	6	7			
484	AOB/GLENYFER	4	W CBK F			882	45½	168	2	8			
GR FWD.		187				52339		11497	5	9			

Lot	MARKS	BALES	DESCRIPTION	TYPE OR QUALITY	YIELD	NETT LBS	PRICE						
BT FWD. 187													
EX N. Z. MELB. 13.10.47													
95	BB/LINDA	5	AAA SUP H			1465	61½	373	17	7			
97	BB/LINDA	4	AAA HM			1127	61½	287	12	5			
165	HAMBROOK	5	SUP COM			1402	58	344	13	2			
166	"	4	"			1054	59	259	2	2			
169	"	6	AAA COM			1713	53	378	5	9			
174	"	10	1ST A COM			3349	53½	746	11	0			
193	M/BROLGA	4	SUP AAA			1241	56½	292	3	1			
209	TE/B--E	2	A			537	54½	122	10	1			
44	ALRYE/CH	7	AAA CBK/AA CBK/H/W			2358	45	442	2	6			
460	DWC(IN DIA)/ SILESIAN DOWNS	4	1ST S CBK H/E			1138	51½	243	0	3			
461	DO	9	AA CBK H/E			2090	52	452	16	8			
469	WANGANDARY/PPI	7	AAA X			1970	49	402	4	2			
474	JBC/LAURISTON	5	A CBK H/E			1572	52	340	12	0			
540	HAMBROOK Pt.)	7	AA CBK			2020	52½	441	17	6			
428	CATTLE RUNS	5	1ST A CBK			1413	53½	314	19	8			
EX C. V. P. MELB.													
51	PINE PARK	7	AAA H			2010	54	452	5	0			
54	"	5	AA			1435	50	298	19	2			
88	RGB/MTHAMILTON	5	EX SUP A M			1298	65½	354	4	11			
95	"	4	AAA CBK			1067	49½	221	3	7			
Y. BAND MELB. 16.10.47.													
366	AGB/ASCOT BARR	2	AA PCB.			606	54	136	7	0			
EX P. GITY & CO. MELB.													
77	WILSON/YARRO	4	EX SUP			1046	59	257	2	10			
206	AVOCA FOREST/HBV	3	AAA			780	58	188	10	0			
207	"	5	"			1433	58	346	6	2			
208	"	3	AA			958	58	231	10	4			
307													
87421													
DELIVERY & TD PER LB. 45.10.7													
COMMISSION @ 1½%													
219471 13 4													
292 1 6													
219763 14 10													

DRAWN AT SIGHT THROUGH THE COMMERCIAL BANKING COMPANY OF SYDNEY LTD.

Exhibit L.

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.

SUMMARY OF WOOL ON HAND 30TH JUNE, 1948.

Season	Greasy wool		Scoured wool		Total No. of Bales
	Appraisement No. of Bales	Bales on which Subsidy has been claimed and received	Bales on which subsidy has been claimed but not received	Bales on which subsidy had been claimed but not received	
Ex Appraisement ..	751				751
1946/47 ..		1,287			1,287
1947/48 ..		4,512	1,576	262	6,350
	751	5,799	1,576	262	8,388

The above is a summary showing the Company's Stock on Hand 30th June, 1948, in the various categories as set out and is as revealed by a detailed examination of the Company's Brand Book which is a record of such stocks in detailed form identifying each individual bale.

The A.W.R.C. requested in June, 1948, a return of such stocks and the Company, under covering letter of 7th July, 1948, supplied a declaration of these same stocks (expressed there in lbs. weight but being subject to a later adjustment of 6 bales).

A.W.M. letter of 12th January, 1949 (*Record, Vol. II, p. 467*) (Folio 100) par. 3 explains this 6 bale adjustment.

Exhibits.
L.
Summary of Wool on Hand 30th June, 1948.

Exhibits.

F.
Summary
of Wool
Purchases
for period
1st July,
1948, to
31st
December,
1948.

Exhibit F.**THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.****SUMMARY OF WOOL PURCHASES FOR PERIOD 1.7.48 TO 31.12.48.**

	<i>No. of Bales</i>	<i>Purchase Price</i>
Greasy Wool	2,536	225,306 0 4
Scoured Wool	951	87,745 16 10
	<u>3,487</u>	<u>£313,051 17 2</u>

Exhibit F.

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.

SUMMARY OF GREASY WOOL PURCHASES FOR PERIOD 1ST JULY, 1948, TO 31ST DECEMBER, 1948.

Sale Date	Place and Sale No.	Agent or Broker	No. of Bales Purchased	Purchase Price (Excluding Charges)		Average Cost per Bale
				Totals per Invoice	Total for Sale	
2. 9. 48	Sydney	Cwth Wool & Produce	50	4,996	4 4	
"	"	Pitt Son & Badgery	16	1,522	10 0	
"	"	Pitt Son & Badgery	27	2,865	12 0	
27. 10. 48	Geelong	Biggin & Ayrton	670	60,056	8 0	£101
11. 11. 48	Albury	"	59	4,067	12 4	£89.6
8/11. 11. 48	Melbourne	"	123	10,581	17 4	£86
17/18. 11. 48	Geelong	"	530	47,153	11 4	£89
22/25. 11. 48	Melbourne	"	48	4,024	15 6	
22/25. 11. 48	"	"	85	8,149	11 11	£91.5
2. 12. 48	Albury	"	20	1,706	9 10	£85.3
15. 12. 48	Geelong	"	709	66,598	0 3	£93.9
16. 12. 48	Sydney	A.M.L.F.	18	912	4 0	
15. 12. 48	"	Dalgety & Co. . .	11	635	4 2	
16. 12. 48	"	C.W.P.	23	1,720	7 2	
16. 12. 48	"	Biggin & Ayrton	77	5,335	7 5	
16. 12. 48	"	Country Producers	28	1,970	19 8	
16. 12. 48	"	Biggin & Ayrton	42	3,009	5 1	£68.25
			2,536	£225,306	0 4	£88.8

Exhibits.

F.

Summary of Greasy Wool Purchases for period 1st July, 1948, to 31st December, 1948.

Exhibits.

F.
Summary
of Scoured
Wool
Purchases
for period
1st July,
1948, to
31st
December,
1948.

Exhibit F.

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.

SUMMARY OF SCURED WOOL PURCHASES FOR PERIOD 1ST JULY, 1948, TO 31ST DECEMBER, 1948.

Sale Date	Place and Sale No.	Agent or Broker	No. of Bales Purchased	Purchase Price (Excluding Charges)		Totals per Invoice		Total for Sale	
				£	s. d.	£	s. d.	£	s. d.
16. 7. 48	P.S. 18	..	50	4,321	3 4	4,321	3 4	4,321	3 4
22. 7. 48	P.S.	..	5	405	9 0	405	9 0	4,465	1 4
23. 7. 48	P.S.	..	50	4,465	1 4	4,465	1 4	4,782	1 8
30. 7. 48	"	..	49	4,782	1 8	4,782	1 8	4,992	8 9
27. 7. 48	"	..	50	4,992	8 9	4,992	8 9	5,372	5 0
26. 7. 48	"	..	222	5,372	5 0	5,372	5 0	17,159	8 8
5. 8. 48	"	..	100	17,159	8 8	17,159	8 8	10,011	13 0
9. 8. 48	"	..	25	10,011	13 0	10,011	13 0	2,890	7 9
17. 8. 48	"	..	90	2,890	7 9	2,890	7 9	8,458	12 6
"	"	..	25	8,458	12 6	8,458	12 6	2,855	15 6
19. 8. 48	"	..	50	2,855	15 6	2,855	15 6	4,595	12 6
23. 8. 48	"	..	25	4,595	12 6	4,595	12 6	2,344	7 6
3. 9. 48	"	..	40	2,344	7 6	2,344	7 6	4,123	7 0
"	"	..	47	4,123	7 0	4,123	7 0	4,019	5 10
13.10.48	"	..	33	4,019	5 10	4,019	5 10	3,245	17 6
24.11.48	"	..	40	3,245	17 6	3,245	17 6	3,703	0 0
14.12.48	"	..	40	3,703	0 0	3,703	0 0		
								87,745	16 10
								87,745	16 10

Exhibit J.

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.

SUMMARY OF STOCKS, PURCHASES AND USAGE OF WOOL FOR THE SIX MONTHS TO 31ST DECEMBER, 1948.

	Scoured Wool		Greasy Equivalent of Scoured Wool		Greasy Wool		Total Bales—Greasy Basis	
	Ex Appraise-ment or Subsidy Received	Subsidy Claimed but Unpaid	Ex Appraise-ment or Subsidy Received	Subsidy Claimed but Unpaid	Ex Appraise-ment or Subsidy Received	Subsidy Claimed but Unpaid	Ex Appraise-ment or Subsidy Received	Subsidy Claimed but Unpaid
	1948/49 Season	Total	1948/49 Season	Total	1948/49 Season	Total	1948/49 Season	Total
Stock—								
30th June, 1948 ..	—	262	—	317	—	8,126	1,893	—
Less Wool transferred to J. Vicars & Co. Pty. Ltd. ..	—	—	—	—	200	200	200	200
Add Purchases 2/7/48 to 22/12/48 ..	—	262	—	317	1,376	7,926	1,693	—
	—	951	—	1,152	—	2,536	—	3,688
Less Usage 1/7/48 to 22/12/48 ..	—	262	—	317	1,376	10,462	1,693	3,688
	—	886	—	1,073	1,232	5,522	1,549	2,021
Stock—Xmas Closedown 1948 ..	—	65	—	79	144	4,940	144	1,667
								5,019
								3,352

Exhibits.

J.

Summary of Stocks, Purchases and Usage of Wool for the six months to 31st December, 1948.

Exhibit K.

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.

SCHEDULE OF WOOL used for six months ended 31st December, 1948, showing weekly usage and origin of wool used and being extracted from Weekly Sorting Sheets.

Exhibits.

K.
Schedule
of Wool
used for
six months
ended 31st
December,
1948,
showing
weekly
usage and
origin of
wool used
and being
extracted
from
Weekly
Sorting
Sheets.

SCHEDULE OF WOOL USED FOR 6 MTHS ENDED 31st DEC. 1948

SHOWING WEEKLY USAGE AND ORIGIN OF WOOL USED & BRING EXTRACTED FROM WEEKLY SORTING SHEETS

Wool ex Appraisalment

Main data table with columns for months (AP, P), wool origins (ALBURY, GEELONG, G., MELBOURNE, GOULBURN, LAUNCESTON, NEWCASTLE, SYDNEY), and wool types (MELBOURNE, LAUNCESTON, SYDNEY). Rows list dates from 7-7-48 to 22-12-48.

1946-47 Season Wool (Subsidised)

1947-48 Season Wool (Subsidy paid)

Summary tables for 1946-47 and 1947-48 seasons, including columns for usage, appraised wool, and origin. Includes sub-sections for June 1948 wool and July-December 1948 wool.

Exhibit M.

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.
SUMMARY OF STOCK OF WOOL ON HAND—31ST DECEMBER, 1948.

Season	Greasy Wool			1948/49 Season Wool	Bales on which subsidy had been claimed	Bales on which subsidy had been claimed but not received	Scoured Wool			Total No. of bales on hand
	Bales on which subsidy has been claimed and received	Bales on which subsidy has been claimed but not received	Bales on which subsidy had been claimed				1948/49 Season Wool	1948/49 Season Wool		
Ex Appraisalment	—	—	—	—	—	—	—	—	—	201
1946/47 ..	571	—	—	—	—	—	—	—	—	571
1947/48 ..	2,436	144	—	—	—	—	—	—	—	2,580
1948/49 ..	3,007	144	—	1,588	—	—	—	—	—	3,352
	—	—	—	—	—	—	—	—	—	1,653
201	3,007	144	—	1,588	—	—	—	—	—	5,005

NOTES:

(a) The above items 1 to 3, totalled in item 4 are made up of the same wool as appears in Declaration A and in statements C. 105, 106, 107, 108, & 109 (25 Feb. 1949).

After Declaration A had been made by the Company and after finalisation had been made on that basis and the Commission had agreed to all figures the Company found that the true closedown stock figures for "Wool in Subsidized Form" was 3,352 and not 3,348 bales. Hence this and other schedules now prepared show "closedown stocks" as 3,352 bales whereas settlement of the subsidy scheme was made on a basis of 3,348 bales. In the Commission's letter of 25 February, 1949 and attachment the various statements under the heading "Declaration A" represent wool stock as under:—

Statement No. C 105	3 Bales	ex appraisalment Season	1942/43
" 106	150 "	" "	1943/44
" 107	48 "	" "	1945/46
" 108	567 "	Auction Purchase ex Season	1946/47
" 109	2580 "	" "	1947/48
	<u>3348</u> bales		

The details shown in the above numbered statements identify the wools as set out above. (The later 4 bale adjustment was an addition to the 1946/47 season purchases taking this figure from 567 to 571 bales.)

(b) The wool shown in Item 5 is the stock of 1948/49 or "New Seasons" purchases on hand at the Xmas '48 Closedown. (Note the purchases of this season to Xmas were greater than this but during the period to Xmas 886 bales of "New Seasons" scoured wool and 948 bales of "New Seasons" greasy wool were used.)

Exhibits.
M.
Summary of Stock of Wool on Hand, 31st December, 1948.

Exhibits.

G.
Summary
of 201
Bales of
Appraisal-
ment Wool
on Hand,
Christmas,
1948.

Exhibit G.**THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.****SUMMARY OF 201 BALES OF APPRAISEMENT WOOL ON HAND XMAS CLOSEDOWN, 1948.**

Season	No. of Bales	Lbs. Weight	Deferment	Amount of Deferment			Amount of Subsidy Recalled		
				£	s.	d.	£	s.	d.
1942-1943 ..	3	951	25 % of appraisement	16	13	6	18	11	4
1943-1944 ..	150	43,971	25 % of appraisement	877	0	5	1,214	2	0
1945-1946 ..	48	13,777	27½ % of appraisement	326	5	11	888	7	3
	201 bales	58,699 lbs.		£1,219	19	10	£2,121	0	7

NOTES :

1942/43 SEASON.—In this season price of wool purchased during the early part of the season and including the 3 subject bales was invoiced at appraisement plus 25 % with a deferment of a further 10 % of appraisement. However, a circular received from the Central Wool Committee stated that the price determined by the Commonwealth Prices Commissioner and fixed by the Central Wool Committee for local manufacturers for the 1942-43 season, would be appraisement plus 10 % with a deferred charge of an additional 25 % of appraisement. The circular further stated that refunds would be made in respect to purchases already made and accordingly The Australian Woollen Mills Pty. Limited made application for and received a refund in respect to the purchases concerned.

1943-44 SEASON.—During this season the price for local manufacturers was appraisement plus 10 % and the deferred portion was a further 25 % of appraisement until altered from the 1st May, 1944. The 150 subject bales were all purchased before 1st May, 1944.

1945-46 SEASON.—During this season the price for local manufacturers was appraisement plus 10 % or the official selling price of the Commission whichever was the lesser. Invoices of the 48 bales concerned show that the Company paid for these wools appraisement plus 10 %. The deferred portion of the price was the additional amount required to bring the price of such wool to the official selling price and such deferred portion was 27½ % of the appraised price.

Exhibit G.

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.
THREE BALES OF APPRAISEMENT WOOL ON HAND XMAS CLOSEDOWN, 1948. 1942-1943 SEASON.

Appraise- ment No.	Place of Sale	Date	Broker	Lot No.	No. of Bales	Lbs. Weight	Amount Paid per lb.	Deferment per lb.	Amount of Deferment	Recall of subsidy per lb.	Total Subsidy Recall
60	Melbourne	3.11.42	Dalgety Co.	596	1	399	17 + 10%	25% of 17 = 4½	7. 9. 7	4½	7. 1. 4
60	"	"	Vic. Producers	1456	2	552	16 + 10	25% of 16 = 4	9. 3.11	5	11.10. 0
					3	951			£16.13. 6		£18.11. 4

See Note on Summary Sheet as to deferred price.

Exhibits.
G.
Summary
of 3 Bales
of Appraise-
ment Wool
on Hand,
Christmas,
1948.

Exhibits.

G.
Summary
of 150
Bales of
Appraisal-
ment Wool
on Hand,
Christmas,
1948.

Exhibit G.

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.
ONE HUNDRED AND FIFTY BALES OF APPRAISEMENT WOOL ON HAND XMAS CLOSEDOWN, 1948
1943-1944 SEASON.

Appraisal- ment No.	Place of Sale	Date	Broker	Lot No.	No. of Bales	Lbs. Weight	Amount Paid per lb.	Deferment per lb.	Amount of Deferment	Recall of Subsidy per lb.	Total Subsidy Recall
									£ s. d.		£ s. d.
8	Melbourne	13.11.43	G. Mort & Co	843	5	1,483	20 $\frac{1}{2}$ + 10%	= 5	30 17 4	9	55 12 3
82	"	"	Aust. Estates	801	2	506	17 $\frac{1}{4}$ + 10%	= 4 $\frac{1}{4}$	8 19 1	8 $\frac{3}{4}$	18 9 0
"	"	"	"	1371	1	218	19 + 10%	= 4 $\frac{1}{2}$	4 6 3	5 $\frac{1}{4}$	4 15 5
83	Geelong	6.12.43	Strachan Co.	1171	2	663	17 $\frac{3}{4}$ + 10%	= 4 $\frac{1}{2}$	12 8 6	6 $\frac{1}{2}$	18 12 11
84	"	9.12.43	Dalgety & Co	834	2	444	19 $\frac{1}{2}$ + 10%	= 5	9 5 0	8	27 16 0
"	"	"	"	868	1	283	19 $\frac{3}{4}$ + 10%	= 5	5 17 11	6	7 1 6
"	"	"	Denny Lacelles	349	1	353	20 $\frac{1}{4}$ + 10%	= 5	7 7 1	8 $\frac{3}{4}$	12 17 5
"	"	"	"	832	2	745	19 $\frac{3}{4}$ + 10%	= 5	15 10 4	5 $\frac{1}{2}$	17 1 6
"	"	"	"	864	1	300	20 + 10%	= 5	6 5 0	8 $\frac{1}{4}$	10 6 3
"	"	"	Elder Smith	735	2	677	19 + 10%	= 4 $\frac{3}{4}$	13 6 10	7 $\frac{1}{2}$	21 17 3
"	"	"	"	750	1	326	19 $\frac{1}{2}$ + 10%	= 4 $\frac{3}{4}$	6 9 0	6	8 3 0
"	"	"	"	444	1	249	19 $\frac{1}{4}$ + 10%	= 4 $\frac{3}{4}$	4 18 6	6	6 4 6
85	"	23.12.43	Dalgety	713	2	441	20 + 10%	= 5	9 3 9	8 $\frac{1}{4}$	15 3 2
"	"	"	Elder Smith	818	1	228	19 $\frac{1}{2}$ + 10%	= 4 $\frac{1}{2}$	4 10 2	5 $\frac{1}{2}$	5 4 6
86	"	"	Dalgety & Co.	788	1	383	18 $\frac{1}{2}$ + 10%	= 4 $\frac{1}{2}$	7 3 7	5 $\frac{1}{4}$	8 7 7
"	"	"	"	891	2	637	19 $\frac{1}{2}$ + 10%	= 4 $\frac{1}{2}$	12 12 0	6	15 18 6
"	"	"	"	1227	2	480	19 $\frac{3}{4}$ + 10%	= 4 $\frac{1}{2}$	9 9 11	5 $\frac{1}{2}$	11 0 0
"	"	"	"	1498	1	257	19 + 10%	= 4 $\frac{1}{2}$	5 1 8	4 $\frac{1}{4}$	5 1 9
"	"	"	"	1593	1	262	18 $\frac{1}{4}$ + 10%	= 4 $\frac{1}{2}$	5 18 2	6	6 11 0
"	"	"	"	1655	1	225	19 + 10%	= 4 $\frac{1}{2}$	4 8 11	5 $\frac{1}{2}$	5 7 10
"	"	"	"	1006	6	1,965	19 $\frac{1}{4}$ + 10%	= 4 $\frac{1}{2}$	38 17 4	4 $\frac{3}{4}$	38 17 10
"	"	1. 2. 44	E. R. Sparrow	20	2	590	20 $\frac{1}{4}$ + 10%	= 5	12 5 10	8 $\frac{3}{4}$	20 17 11
"	"	"	"	22	1	291	19 $\frac{1}{4}$ + 10%	= 4 $\frac{1}{2}$	5 15 1	4 $\frac{1}{4}$	5 15 2
"	"	"	Dalgety & Co.	242	1	285	18 + 10%	= 4 $\frac{1}{2}$	5 6 10	4 $\frac{1}{2}$	5 6 11
"	"	"	"	690	5	1,508	17 $\frac{3}{4}$ + 10%	= 4 $\frac{1}{2}$	28 5 2	5	31 8 4
"	"	"	Aust. Estates	1413	2	536	20 $\frac{1}{4}$ + 10%	= 5	11 3 4	6	13 8 0
"	"	"	N.Z. Loan	720	3	888	18 + 10%	= 4 $\frac{1}{2}$	16 12 10	5 $\frac{1}{4}$	19 8 6
"	"	"	"	550	1	261	19 $\frac{1}{2}$ + 10%	= 4 $\frac{3}{4}$	5 3 3	8 $\frac{1}{4}$	8 19 5
"	"	"	"	976	2	666	20 $\frac{1}{4}$ + 10%	= 5	13 17 5	8 $\frac{1}{4}$	22 17 11

88	"	"	"	978	3	982	19	+ 10%	25%	4 $\frac{1}{2}$	19	8	6	4 $\frac{1}{2}$	19	8	9
"	"	"	Young Husband	535	1	292	19 $\frac{1}{2}$	+ 10%	25%	5	6	1	8	6	7	6	0
"	"	"	"	536	1	283	20 $\frac{1}{2}$	+ 10%	25%	5	5	17	11	6 $\frac{1}{2}$	7	19	2
"	"	"	"	540	4	1,221	18 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	22	17	8	6	30	10	6
"	"	"	A.M.L.F. Co	662	4	1,222	18 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	22	18	0	5 $\frac{1}{2}$	26	14	8
"	"	"	Young Husband	650	1	334	19 $\frac{1}{2}$	+ 10%	25%	5	6	19	2	8 $\frac{1}{2}$	11	9	8
"	"	"	A.M.L.F. Co.	1097	4	1,342	18 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	25	3	0	6	33	11	0
"	"	"	"	1129	2	566	19 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	11	3	11	6	14	3	0
"	"	"	Young Husband	129	4	1,072	19 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	21	4	1	8 $\frac{1}{2}$	36	17	0
88	Albury	..	10. 2.44	860	1	313	18	+ 10%	25%	4 $\frac{1}{2}$	5	17	4	6 $\frac{1}{2}$	8	16	1
"	"	"	"	825	1	302	17 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	5	11	4	5 $\frac{1}{2}$	7	4	9
87	Geelong	..	29. 2.44	334	3	859	19 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	16	19	10	6	21	9	6
88	Melbourne	"	"	467	5	1,372	20	+ 10%	25%	5	28	11	7	5 $\frac{1}{2}$	32	17	5
"	"	"	"	485	1	282	19 $\frac{1}{2}$	+ 10%	25%	5	5	17	6	5	5	17	6
"	"	"	"	134	1	258	17	+ 10%	25%	4 $\frac{1}{2}$	4	11	4	6	6	9	0
"	"	"	N.Z. Loan	1105	1	262	19 $\frac{1}{2}$	+ 10%	25%	5	5	9	2	6	6	11	0
"	"	"	Dalgaty & Co.	933	2	668	20 $\frac{1}{2}$	+ 10%	25%	5	13	18	3	8 $\frac{1}{2}$	22	19	3
89	Geelong	15. 3.44	"	1001	1	307	19 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	6	1	5	5 $\frac{1}{2}$	6	14	4
"	"	"	"	788	1	258	20 $\frac{1}{2}$	+ 10%	25%	5	5	7	6	5 $\frac{1}{2}$	6	3	8
"	"	"	Strachan Co.	1025	7	1,866	20 $\frac{1}{2}$	+ 10%	25%	5	38	17	4	6	46	13	0
"	"	"	"	1030	1	333	18 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	6	11	9	4 $\frac{1}{2}$	6	11	10
"	"	"	"	1048	1	280	20 $\frac{1}{2}$	+ 10%	25%	5	5	16	8	7 $\frac{1}{2}$	9	0	10
"	"	"	"	1053	4	1,089	17 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	20	8	2	6 $\frac{1}{2}$	28	7	2
"	"	"	"	249	1	309	18 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	5	15	10	7 $\frac{1}{2}$	9	19	7
"	"	"	C.W.P. ..	452	1	263	21 $\frac{1}{2}$	+ 10%	25%	5 $\frac{1}{2}$	5	15	0	8 $\frac{1}{2}$	9	6	4
"	"	"	A.M.L.F.	453	4	1,109	20 $\frac{1}{2}$	+ 10%	25%	5	23	2	0	8 $\frac{1}{2}$	38	2	5
"	"	"	"	438	1	222	19 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	4	7	10	8 $\frac{1}{2}$	7	17	3
"	"	"	N.Z. Loan	468	1	319	19 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	6	6	2	8	10	12	8
"	"	"	"	696	1	323	19 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	6	7	9	8 $\frac{1}{2}$	11	2	1
"	"	"	"	721	4	1,119	19	+ 10%	25%	4 $\frac{1}{2}$	22	2	8	7 $\frac{1}{2}$	36	2	8
"	"	"	"	1925	1	309	19	+ 10%	25%	4 $\frac{1}{2}$	6	2	6	5 $\frac{1}{2}$	7	1	8
"	"	"	"	10	13	3,853	19 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	76	4	3	6	96	6	6
"	"	"	G. Mort & Co.	273	3	949	21	+ 10%	25%	5 $\frac{1}{2}$	20	15	1	9 $\frac{1}{2}$	38	11	1
"	"	"	Dalgaty & Co.	514	1	281	19 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	5	11	1	8 $\frac{1}{2}$	9	13	2
90	Geelong	27. 3.44	"	101	5	1,639	20 $\frac{1}{2}$	+ 10%	25%	5	34	2	10	6 $\frac{1}{2}$	46	1	11
"	"	"	Dalgaty & Co.	280	2	594	20 $\frac{1}{2}$	+ 10%	25%	5	12	7	6	8 $\frac{1}{2}$	21	0	9
"	"	"	"	603	1	231	17 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	4	1	10	4 $\frac{1}{2}$	4	1	10
86	Melbourne	1. 2.44	"	278	1	249	19 $\frac{1}{2}$	+ 10%	25%	4 $\frac{1}{2}$	4	18	6	8 $\frac{1}{2}$	8	11	2
88	"	29. 2.44	Vic. Producers	974	1	289	19 $\frac{1}{2}$	+ 10%	25%	5	6	0	5	6	7	4	6
"	"	"	"														

150 bales 43,971 lbs.

£877 0 5

£1,214 2 0

Exhibits.
G.
Summary
of 150
Bales of
Appraisal-
ment Wool
on Hand,
Christmas,
1948.

Exhibits.

G.
Summary
of 48 Bales
of Appraisal
ment Wool
on Hand,
Christmas,
1948.

Exhibit G.

THE AUSTRALIAN WOOLLEN MILLS PTY. LIMITED.

FORTY-EIGHT BALES OF APPRAISEMENT WOOL ON HAND XMAS CLOSEDOWN, 1948. 1945-1946 SEASON.

Appraisal- ment No.	Place of Sale	Date	Broker	Lot No.	No. of Bales	Lbs. Weight	Amount Paid per lb.	Deferment per lb.	Amount of Deferment	Recall of Subsidy per lb.	Total Subsidy Recall.
86	Brisbane	1.11.45	Aust. Estates	49	4	1,268	21 + 10%	27 1/2% of 21	30 7 4	18 1/2	97 14 10
"	"	"	A.M.L.F.	19	8	2,438	20 3/4 + 10%	27 1/2% of 20 3/4	58 7 10	15 1/2	157 9 1
"	"	"	"	20	1	306	21 + 10%	27 1/2% of 21	7 6 7	15 3/4	20 1 8
"	"	"	N.Z. Loan	353	1	269	22 3/4 + 10%	27 1/2% of 22 3/4	7 0 1	20 1/4	22 13 11
"	"	"	"	354	5	1,510	22 + 10%	27 1/2% of 22	37 15 0	16 3/4	105 7 9
"	"	"	Q'd P.P.	502	1	272	20 1/2 + 10%	27 1/2% of 20 1/2	6 0 0	14 1/2	16 8 8
"	"	"	"	1637	1	240	20 3/4 + 10%	27 1/2% of 20 3/4	5 15 0	16 1/4	16 5 0
"	"	"	"	1638	2	577	20 1/4 + 10%	27 1/2% of 20 1/4	6 4 8	14 1/4	34 5 2
"	"	"	"	1153	5	1,346	22 3/4 + 10%	27 1/2% of 22 3/4	35 1 0	19 3/4	110 15 4
"	"	"	"	1155	1	247	20 1/4 + 10%	27 1/2% of 20 1/4	5 13 2	15 3/4	16 4 2
"	"	"	"	502	1	225	26 1/4 + 10%	27 1/2% of 26 1/4	6 15 11	24 3/4	23 4 1
"	"	"	Dalgety Co.	1	4	1,049	20 1/4 + 10%	27 1/2% of 20 1/4	25 2 6	17 3/4	76 9 10
"	"	"	Morheads	409	3	824	21 3/4 + 10%	27 1/2% of 21 3/4	20 12 0	19 1/4	66 1 10
88	"	17.12.45	W. Carson	315	1	254	22 1/4 + 10%	27 1/2% of 22 1/4	6 12 3	17	17 19 10
"	"	"	"	347	1	259	20 1/2 + 10%	27 1/2% of 20 1/2	5 18 8	16 1/4	17 10 9
"	"	"	Q'd P.P.	500	9	2,693	20 1/2 + 10%	27 1/2% of 20 1/2	61 13 11	8	89 15 4

48 bales 13,777 lbs.

£326 5 11

£888 7 3

Exhibit O.

LETTER, Biggin & Ayrton to Australian Woollen Mills Pty. Limited, 30th October, 1942.

RECEIPT for £28,441 13s. 6d., 4th November, 1942.

CHEQUE COUNTERFOIL, 2nd November, 1942.

Exhibits.

O.

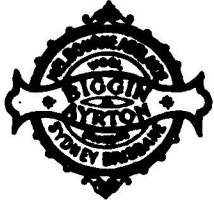
Letter,
Biggin &
Ayrton to
Australian
Woollen
Mills Pty.
Limited.
30th
October,
1942.

Receipt
for £28,441
13s. 6d.,
4th
November,
1942.

Cheque
Counter-
foil, 2nd
November,
1942.

348

TELEPHONE No. M 1810
12 LINES



HEAD OFFICE - SYDNEY

CODES USED | PRIVATE
BENTLEY'S
A B C 6th Edition

CALL ADDRESS:

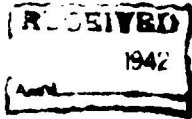
BIRMINGHAM MELBOURNE
BRISBANE ADELAIDE
DUNDEE SYDNEY
GLASGOW PERTH
HULL QUEENSLAND
LONDON
MELBOURNE
NEWCASTLE
SYDNEY
WELLINGTON

TELEGRAMS:

BIRMINGHAM MELBOURNE
BRISBANE ADELAIDE
DUNDEE SYDNEY
GLASGOW PERTH
HULL QUEENSLAND
LONDON
MELBOURNE
NEWCASTLE
SYDNEY
WELLINGTON

Wool Exchange,
122-124 King Street,
Melbourne.

Melbourne, 30th. October, 1942.



The Secretary,
Messrs Australian Woollen Mills Pty. Ltd.,
SYDNEY.

Dear Sir,

We enclose herewith invoice for 993 bales wool
ex Appraisalment No.60, weight slips for which have been
forwarded under separate cover.

The date of payment for this Appraisalment is 6th.
November, but as we expect to ship some of the wool at the
end of next week, we shall require the credit a few days
prior to this date.

Yours faithfully,

[Handwritten signature]

No 294

Melbourne.

Received by ^{Cash} Cheque from
the sum of
Pounds Shillings Pence

For BIGGIN & AYRTON

£



No A 57956

956

Received from
The Australian Woollen Mills
Pty. Limited

[Handwritten text: Cheque value Forty eight thousand four hundred forty five pounds and ten shillings]

Exhibit O.

INVOICE for £28,441 13s. 6d., 29th October, 1942.

Exhibits.

O.
Invoice
for £28,441
13s. 6d.,
29th
October,
1942.

COUNTER MARKED.

310

-2-

Messrs Aust. Woollen Mills Pty. Ltd.

AW etc.

Melbourne 29th. October, 1942.

Invoice for 993 Bales that purchased and shipped for SYDNEY for account of Messrs Australian Woollen Mills Pty. Ltd. by Messrs J. & J. B. ...

Weight Gross Net

Table with columns: Lot, MARKS, BALES, DESCRIPTION, etc. Includes sub-section 'APPRAISEMENT NO. 60.' and 'Mc N.Z.L. Mc BOURNE.' with various lot numbers and descriptions like 'WANALTA/ED', 'J & ED/WANALTA/PARK', etc.

Main table with columns: Lot, MARKS, BALES, DESCRIPTION, etc. Includes sub-section 'BT FORWARD' and 'CR FORWARD' with various lot numbers and descriptions like 'BAGJ/ PL', 'KLJ/ PL', 'RANJ/ PL', etc.

Lot																							
BT FORWARD	236		69953		5284	13	10																
565 JL/ M	1	Gay.	303	19	24	6	0																
566 "	2		566	19	45	8	0																
616 BUCCI	5		1405	19	115	12	5																
617 "	5		1457	18	112	6	3																
625 "	2		758	17	56	1	3																
626 "	7		1983	18	150	15	10																
627 "	9		3035	18	233	19	0																
629 "	3		854	16	61	13	11																
650 HP/BLAIRVOH	1		249	18	18	13	6																
655 FR/AUBREY	3		687	16	46	10	4																
667 JAP/ KAT	1		270	17	19	2	6																
668 "	1		264	16	18	3	0																
679 V T / P I	2		753	16	51	15	5																
684 JAMCK/BULLA	4		1108	19	88	17	5																
686 "	2		604	18	45	6	0																
687 "	2		506	18	37	19	0																
689 "	1		242	17	17	18	0																
457A GCAS/ELLER- SLIE	1		322	18	25	3	2																
MR DALGTY & CO MELBOURNE. APP. 60.																							
202 STONYHURST	1	Gay	277	17	19	18	2																
206 "	11		4072	17	292	13	6																
221 AR/MURRAYVIEW	1		261	21	23	2	2																
223 "	1		241	19	18	16	7																
224 "	4		1077	19	86	7	8																
225 "	7		1870	19	148	0	10																
226 "	2		548	17	39	19	2																
229 "	1		260	19	20	0	10																
231 "	1		882	19	71	13	3																
232 "	1		336	17	24	3	0																
238 "	2		577	19	45	13	7																
235 "	1		251	19	19	17	5																
236 "	1		244	17	17	10	9																
237 "	3		880	17	64	3	4																
238 "	1		316	17	23	7	5																
239 "	3		1031	18	78	8	0																
246 AR/MURRAYVIEW	5		1500	16	104	13	9																
256 YARRAN	2		594	19	48	17	8																
257 "	1		254	20	21	3	4																
257A "	1		305	19	24	9	3																
258 "	1		286	18	22	6	11																
259 "	6		1773	20	147	15	0																
260 "	3		856	20	72	4	6																
261 "	4		1218	18	95	3	2																
264A "	1		267	18	20	6	1																
265 "	5		1491	18	116	9	8																
266 "	4		1201	19	95	1	7																
268 "	3		928	18	71	10	8																
273 "	8		2373	17	168	1	9																
281 "	1		254	20	21	19	3																
CR FORWARD	376		111772		8478	3	2																
Lot																							
BT FOR'D	376		111772		8478	3	2																
295 HL/EAST/ LODDON	5	Gay.	1592	19	126	0	8																
296 "	1		345	20	29	9	5																
297 "	6		1949	20	164	8	11																
298 "	1		340	20	28	13	9																
299 "	3		995	20	82	18	4																
302 "	1		386	19	31	7	3																
309 MOUNTVIEW/ MS/K	1		214	21	18	14	6																
310 "	1		234	21	20	14	5																
311 "	2		266	20	23	0	0																
312 "	2		447	22	40	19	6																
313 "	1		289	20	24	7	8																
314 "	2		668	17	48	14	2																
328 KS / A L	1		273	22	25	11	11																
329 "	1		257	22	24	1	11																
330 "	1		276	22	25	11	9																
331 "	1		239	22	22	8	2																
335 "	1		301	22	28	4	5																
337 "	3		993	16	69	6	1																
342 J R / T	4		1130	19	89	9	2																
344 "	1		288	19	23	14	0																
345 "	1		295	20	25	4	0																
347 "	2		647	18	49	4	0																
350 GH/AVENEL	3		910	20	68	6	11																
361 "	3		1899	19	154	5	11																
364 HH/AVENEL	1		317	20	26	8	4																
367 "	2		586	20	50	13	4																
368 "	2		689	19	56	14	0																
370 W H / W	9		2317	22	217	4	5																
371 LJH/EUROA	1		274	19	21	13	10																

Lot				Lot							
BT FORWARD	490	145057	11217	16	7	BT FORWARD	600	179589	13770	19	6
533 GLENMORE	1	240	20	21	2	928 WBL/STH	2	604	173	43	11
537 "	1	261	20	22	5	927 KHGM/REY-	3	777	163	53	9
538 "	2	754	20	44	11	WELLA					
539 "	1	257	19	20	6	030 "	1	263	173	10	3
540 "	2	480	20	41	5	030 "	2	816	163	55	5
542 "	2	688	17	50	2	063 DB / P	2	634	183	48	17
543 "	1	291	20	24	0	EX Y BAND, WYLBORNS, APP. 60.					
544 "	1	298	20	25	2	550 SG / RIDGE	2	899	183	62	10
545 "	2	507	16	40	2	551 "	2	802	19	63	9
554 "	2	568	16	30	1	552 "	3	846	17	59	18
55 "	3	757	17	54	2	55 "	15	4418	183	345	3
582 OM/ERS/ MAYFIELD	2	542	19	42	0	550 "	0	2275	183	177	14
583 "	7	1093	18	142	10	557 "	4	1142	10	90	8
584 "	1	302	18	23	11	561 "	15	4402	19	364	6
504 A / KY	1	2400	17	17	10	562 "	1	316	183	24	7
596	4	1330	17	94	4	564 "	6	2197	19	173	2
614 MC/CLAIRWOOD	1	219	19	17	15	560 "	4	1383	20	115	5
616 "	1	307	17	22	7	572 "	16	5502	16	378	5
669 ADA / D	1	238	16	16	7	574 "	12	4068	16	203	18
677 SS/HILLCROFT	2	942	19	77	10	575 "	4	1287	16	89	16
682 WELTON/PARK/ - /WR	3	552	19	43	14	604 JF/ROTHERWOOD	4	1015	17	74	0
682A "	1	301	19	22	17	600 "	2	567	18	43	2
690 A H R	3	915	17	67	13	680 GP / -	4	1254	17	92	14
691 H / A B R	1	293	17	21	7	600 "	3	978	18	73	7
696 J D / W	1	241	16	16	11	716 SOMERSET/PARK	1	209	10	15	15
698 "	1	220	15	14	15	720 "	3	670	18	50	19
709 L D / COOM	1	265	10	10	17	723 "	1	313	19	25	2
711 "	1	323	18	24	4	725 "	2	908	18	68	2
733 DK/HARSTON	7	1076	17	142	9	727 "	3	981	18	73	11
734 "	5	1570	17	112	16	72 "	4	1252	18	93	18
743 ROCKVIEW/FR	3	980	20	84	9	753 SA/CARNFORTH	5	1471	17	105	14
744 "	2	662	19	51	14	755 "	5	1507	18	117	14
770 HB/BOOMBONG	2	656	18	40	17	791 GRESNDALE/YSB	8	2305	17	168	1
771 "	4	1105	17	81	14	853 HLM/BUNDAPPOOL	2	549	19	43	9
772 "	2	646	18	49	2	854A "	1	305	18	22	17
775 "	6	1025	15	114	1	854 "	1	286	18	21	9
785 YARRAGUNDY	2	614	16	42	17	857 "	2	503	17	37	4
780 W R / S H	1	229	17	16	14	875 GOOYONG	2	752	18	57	19
790 "	1	289	17	20	15	877 "	1	322	18	24	3
791 "	1	293	17	21	1	878 "	1	247	18	13	10
805 BUNGALOW/AN	1	363	17	25	14	880 "	3	982	16	59	14
806 "	1	357	17	25	5	010 CC/JUDYONG	4	1223	19	98	1
807 "	1	352	16	24	11	010 MB/BGW/--	5	1398	16	96	2
808 "	2	577	16	38	5	937 J J/THE SPRINGS	2	763	17	54	0
809 "	1	279	16	19	3	055 JW/WALLARDO	9	2522	17	178	12
810 "	1	329	17	23	6	900 WEB/PICOLA	2	628	17	44	9
813 RS AS/ TENNISON	5	1552	17	113	3	1038 FR / R	1	255	19	20	14
815 "	11	3077	17	217	19	1039 PP/DELL	1	251	19	20	2
817 "	1	390	16	26	0	1062 E J / T D	1	310	16	20	19
CR FORWARD	609	179589	13770	19	6	1072 ES / O V	4	938	20	78	3
						1078 "	5	1265	19	104	2
						1079 "	1	264	18	19	16
						1166 W M / C P	9	8804	18	219	1
						CR FOR'D	818	242299	19468	8	6

Lot						
BT FORWARD	818		242299	18468	8	6
1167 VM/ CP	13	Gey	4489	183	350	12 6
1204 HAY IN BOX	3		903	19	63	11 5
1200 "	1		341	183	26	5 9
1210 "	1		254	163	17	9 3
1240 IAC/CARTRIDGE	1		340	173	24	15 10
1260 OT/BARKWA	2		504	19	39	18 0
1260 "	3		837	183	54	10 5
1534 JT/ MAR	4		1204	18	97	16 0
EX V.P.G. MELB. APP. 60.						
211 M/C/ T	2		614	173	44	15 5
212 "	2		100	173	43	14 0
213 "	4		1152	173	47	18 5
215 "	3		789	183	34	0 0
216 "	3		763	163	50	19 5
242 H IN CIRCLE	0		3107	20	53	5 0
297 "	1		345	173	25	18 4
313 MUIRWOOD/ VL	1		34	203	24	15 11
314 "	1		322	20	29	12 10
331 AJH/MURCHISON	4		1202	20	26	15 8
332 "	1		290	20	100	3 4
334 "	3		796	18	24	3 4
342 "	3		875	20	63	0 4
383 WRS/FAIRVIEW/	4		1264	163	74	14 10
411 P C MOUNT	2		493	173	90	4 4
473 TW/GLWCAIRN	2		763	19	35	0 0
474 "	2		702	183	60	0 1
481 JCL/CB	1		259	183	54	2 3
517 DM/ SJ	2		704	203	20	4 0
517 "	1		320	183	50	1 0
521 OM/ RM	2		417	213	25	1 0
522 "	2		460	213	37	15 10
524 GM/ RM	1		222	213	42	0 4
525 "	1		270	20	19	17 9
530 HA/ BOW	1		271	183	22	15 0
540 "	4		1177	173	21	3 5
540 "	1		332	17	94	11 11
610 BALMUIR/ MY	1		312	173	17	23 10
729 RM/MINDSAGLEN	5		1340	203	23	1 2
779 JTK/CORPSE	2		431	193	115	4 7
780 "	4		1227	183	33	13 5
783 "	3		824	173	93	6 1
786 "	3		703	17	60	1 8
787 "	3		1017	17	49	15 11
842 EJ/ LOC	1		295	193	72	0 9
846 BALMUIR/ MI	1		272	183	22	14 10
854 CWG/DULGIN	1		219	163	20	10 4
854 - KILA					15	5 8
896 RM/MINDSA GLEN	2		517	203	53	6 11
908 "	1		317	193	26	1 9
901 "	1		273	183	22	0 4
CR FOR'D	939		279497	21291	7	6

Lot						
BT FOR'D	939		279497	21291	7	6
902 RM/MINDSAGLEN	1	Gey	294	193	24	2 11
904 "	1		375	203	31	12 10
905 "	1		260	20	24	13 4
920 AEW/ W	1		299	193	23	19 8
920 "	1		323	183	25	4 8
1037 W G / S T	1		300	193	24	7 6
1040 "	1		282	193	23	4 2
1046 WJC/GRASS-	1		319	183	24	11 10
1047 " VALE	1		287	19	22	14 5
1005 AWH/ R	3		980	18	73	10 0
1220 THISTLEBANK	2		673	163	45	19 5
R.						
1279 P J H	1		305	183	23	10 3
1300 LP/ KOR	1		270	213	24	14 1
1400 "	1		282	21	24	13 6
1402 "	1		270	20	22	10 0
1407 RM/NORTHWOOD	5		1521	193	123	11 8
1400 "	3		949	193	77	2 2
1414 LJW IN DIA/	1		364	193	29	19 1
ACHRON						
1410 CJC/ VT	3		916	19	64	12 0
1421 "	1		327	19	25	17 9
1422 "	1		288	18	21	12 0
1452 R-R/RUSH-	3		903	173	73	8 10
1453 " WORTH	2		564	183	42	17 9
1454 "	2		692	173	50	4 10
1454 "	0		2366	18	157	14 8
1462 RAS/ M	1		243	183	18	9 7
1463 "	1		365	18	27	7 6
15 NWGF/ E	2		586	193	47	12 3
1535 JM/EDDINGTON	1		270	193	22	4 5
1540 K/ SKIPTON	1		300	213	20	0 1
001			294668		22539	15 8
Plus 25% Additional					5634	19 0
10%					2253	19 7
Full Price					30428	14 3
Less amount deferred and contingently payable under the National Security (price of wool for export) regulations					2253	19 7
Delivery					28174	14 8
					153	9 6
Commission on £22692.5. 2 @ 1%					28328	4 2
					113	9 4
Drawn & Sight through the Commercial Banking Co. of Sydney Ltd.					228441	13 6
					228441	13 6
I hereby certify that documents held by us demonstrate that the Wool referred to above was received from - New Zealand Loan & Mercantile Agency Co. Ltd. Dalgety & Co. Ltd. Melb., Younghusband Ltd. Melb. and Victorian Producers. Melb. persons are liable to pay tax thereon.						

Exhibit U.

Exhibits.

U.

Summary
of Selling
Prices
charged by
Australian
Woollen
Mills Pty.
Ltd., 30th
June, 1948,
to 31st
December,
1948.

THE AUSTRALIAN WOOLLEN MILLS PTY. LTD.

SUMMARY OF SELLING PRICES CHARGED BY THE COMPANY FROM 30/6/48
TO 31/12/48.

	1.	2.	3.	4.	5.	6.	7.
	C'wealth Order of 12/12/47— these prices operated till 5/11/48	State P.R.O. of 4/11/48	Company Invoiced from 5/11/48 at these prices	State P.R.O. of 7/12/48	Company Invoiced from 8/12/48 at	Company made application on 10/12/48 for these prices	Company Invoiced from 13/12/48 onwards at
10	Cloth No.						
	210	15/3	16/6	19/-	19/-	20/2	20/2
	231	11/8	12/7	13/6	13/6	14/4	14/4
	311	12/7	13/8	14/9	—	—	—
	316	15/1	16/4	18/10	—	20/1	—
	323	10/9	11/9	13/8	13/8	14/4	14/4
	325	14/-	15/3	17/10	17/10	18/9	18/9
	326	11/11	12/10	13/9	13/9	14/5	14/5
	327	14/1	15/4	16/6	16/6	17/7	17/7
20	314	16/3	17/7	20/2	20/2	21/5	21/5
	893	18/-	19/3	21/9	—	—	—
	243	15/9	16/11	19/3	—	—	—
	621	15/10	—	—	—	—	—
	539	—	—	—	—	—	—
			1st averaging fund increase.	2nd averaging fund increase.		yarn conversion increase.	

Exhibits.

Exhibit W.

EXTRACT from the Appropriation Acts of the Commonwealth of Australia.

W.
Extract
from the
Appropriation
Acts
of the
Commonwealth of
Australia,
1946-47.
5th
December,
1946.

THE COMMONWEALTH OF AUSTRALIA.

APPROPRIATION 1946-47.

No. 56 of 1946.

Assented to 5th December, 1946.

Page 107.

XX—DEFENCE AND POST-WAR (1939-45) CHARGES.

	1946-47	1945-56	<i>Expen-</i>	10
		<i>Vote</i>	<i>diture</i>	
	£	£	£	
SUBSIDIES				
Under Control of Department of the Treasury and Department of Trade and Customs.				
DIVISION NO. 197—PRICE STABILIZATION SUBSIDIES.				
1. Potatoes	2,500,000	2,500,000	2,829,648	
2. Tea	3,000,000	2,200,000	2,356,119	20
3. Whole milk	2,500,000	2,600,000	2,517,247	
4. Recoup of basic wage adjustment	1,300,000	500,000	555,372	
5. Other items	6,500,000	4,700,000	4,725,348	
Total Division No. 197 ..	<u>15,800,000</u>	<u>12,500,000</u>	<u>12,983,734</u>	

Exhibit W.

EXTRACT from the Appropriation Acts of the Commonwealth of Australia.

Exhibits.

W.

Extract
from the
Appropriation
Acts
of the
Commonwealth of
Australia,
1946-47.
12th June,
1947.

THE COMMONWEALTH OF AUSTRALIA.

APPROPRIATION (No. 2) 1946-47.

No. 40 of 1947.

Assented to 12th June, 1947.

THE SCHEDULE.

PART 1.—DEPARTMENTS AND SERVICES—OTHER THAN BUSINESS UNDERTAKINGS AND TERRITORIES OF THE COMMONWEALTH.

10 XX—DEFENCE AND POST-WAR (1939-45) CHARGES.

	£
Division No. 196A—International Post-war Relief and Rehabilitation	4,000,000
General Charges	14,000,000
	<u>18,000,000</u>

Exhibit W.

Exhibits.

EXTRACT from the Appropriation Acts of the Commonwealth of Australia.

W.
 Extract
 from the
 Appropria-
 tion
 Acts
 of the
 Common-
 wealth of
 Australia,
 1945-46.
 12th June,
 1947.

THE COMMONWEALTH OF AUSTRALIA.

SUPPLEMENTARY APPROPRIATION 1945-46.

No. 48 of 1947.

Assented to 12th June, 1947.

Date of commencement 10th July, 1947.

Page 49 1945-46.

XVI—DEFENCE AND WAR (1939-45) SERVICES.

£

OTHER WAR SERVICES—continued.

10

DEPARTMENT OF THE TREASURY—continued.

DIVISION No. 194—PRICE STABILIZATION SUBSIDIES.

1. Potatoes	329,648
2. Tea	156,120
4. Recoup of basic wage adjustment	55,373
5. Other items	25,348

 566,489

Exhibit W.

EXTRACT from the Appropriation Acts of the Commonwealth of Australia.

THE COMMONWEALTH OF AUSTRALIA.

APPROPRIATION 1947-48.

No. 50 of 1947.

Assented to 27th October, 1947.

Page 111

Exhibits.

W.
 Extract
 from the
 Appropria-
 tion
 Acts
 of the
 Common-
 wealth of
 Australia,
 1947-48.
 27th
 October,
 1947.

XX—DEFENCE AND POST-WAR (1939-45) CHARGES.

		1947-48	1946-47	
			Vote	Expenditure
SUBSIDIES				
Under Control of Department of the Treasury and Department of Trade and Customs.				
DIVISION NO. 192—PRICE STABILIZATION SUBSIDIES.				
		£	£	£
10	1. Potatoes	2,500,000	2,500,000	3,012,170
	2. Tea	5,500,000	3,000,000	4,413,701
	3. Whole milk	1,800,000	2,500,000	2,252,649
20	4. Recoup of basic wage adjustment	400,000	1,300,000	2,307,435
	5. Wool for home consumption	2,400,000		3,416,876
	6. Imports (other than tea) ..	2,500,000		3,690,859
	7. Coal	2,300,000		958,949
	8. Coastal shipping freight ..	1,000,000		
	9. Other items	600,000	6,500,000	2,588,269
	Total Division No. 192 ..	19,000,000	15,800,000	22,640,908

*Exhibit.***Exhibit W.****EXTRACT from the Appropriation Acts of the Commonwealth of Australia.**

W.
 Extract
 from the
 Appropriation
 Acts of
 the
 Commonwealth of
 Australia,
 1947-48.
 24th June,
 1948.

THE COMMONWEALTH OF AUSTRALIA.

APPROPRIATION (No. 2) 1947-48.

No. 23 of 1948.

Assented to 24th June, 1948.

THE SCHEDULE.

**PART 1—DEPARTMENTS AND SERVICES—OTHER THAN BUSINESS
 UNDERTAKINGS AND TERRITORIES OF THE COMMONWEALTH.**

XX—DEFENCE AND POST-WAR (1939-45) CHARGES.

10

	£	
DIVISION No. 191A—International Monetary Agreements ..	10,200,000	
General Charges	29,800,000	

40,000,000

Exhibit W.

EXTRACT from the Appropriation Acts of the Commonwealth of Australia.

THE COMMONWEALTH OF AUSTRALIA.

SUPPLEMENTARY APPROPRIATION 1946-47.

No. 36 of 1948.

Assented to 26th June, 1948.

Date of Commencement, 24th July, 1948.

Page 71 1946-47.

XX—DEFENCE AND POST-WAR (1939-45) CHARGES.

10

SUBSIDIES.

DIVISION NO. 197—PRICE STABILISATION SUBSIDIES.								£
1.	Potatoes	..	..	..	..	..	..	512,170
2.	Tea	..	..	..	..	..	..	1,413,702
4.	Recoup of basic wage adjustment				..	..	..	1,007,436
5.	Other items	..	..	..	..	..	..	4,154,954
Total Division No. 197								<u>7,088,262</u>

Exhibit.

W.

Extract from the Appropriation Acts of the Commonwealth of Australia, 1946-47. 26th June, 1948.

*Exhibit.***Exhibit W.****EXTRACT from the Appropriation Acts of the Commonwealth of Australia.**

W.
Extract
from the
Appropriation
Acts of
the
Commonwealth of
Australia,
1948-49,
30th
October,
1948.

THE COMMONWEALTH OF AUSTRALIA.**APPROPRIATION 1948-49.****No. 40 of 1948.**

Assented to 30th October, 1948.

Page 115.

XXI—DEFENCE AND POST-WAR (1939-45) CHARGES.

	1948-49	1947-48	
		Vote	Expenditure 10
	£	£	£
SUBSIDIES			
Under Control of Department of the Treasury and Department of Trade and Customs.			
DIVISION No. 187—PRICE STABILISATION SUBSIDIES			
1. Potatoes	1,250,000	2,500,000	2,702,849
2. Tea	5,750,000	5,500,000	6,840,246
3. Whole milk	560,000	1,800,000	2,156,945 20
4. Wool for home consumption	500,000	2,400,000	9,226,596
5. Imports (other than tea) ..	1,500,000	2,500,000	8,687,264
6. Coal	310,000	2,300,000	2,351,891
7. Coastal shipping freights ..	150,000	1,000,000	736,507
8. Other items	280,000	600,000	1,706,810
Recoup of basic wage adjustment		400,000	621,849
Total Division No. 187 ..	10,300,000	19,000,000	35,030,957

Exhibit W.

EXTRACT from the Appropriation Acts of the Commonwealth of Australia.

THE COMMONWEALTH OF AUSTRALIA.

SUPPLEMENTARY APPROPRIATION 1947-48.

No. 40 of 1949.

Assented to 19th July, 1949.

Date of Commencement, 16th August, 1949.

Page 79 1947-48.

XX—DEFENCE AND POST-WAR (1939-45) CHARGES.

10

SUBSIDIES.

DIVISION No. 192—PRICE STABILIZATION SUBSIDIES.								£
1.	Potatoes	..	..	..	..	..	..	202,849
2.	Tea	..	..	..	..	..	..	1,340,247
3.	Whole milk	..	..	..	..	..	..	356,946
4.	Recoup of basic wage adjustment	..	..	..	..	..	..	221,850
5.	Wool for home consumption	..	..	..	..	..	..	6,826,597
6.	Imports (other than tea)	..	..	..	..	..	..	6,187,264
7.	Coal	..	..	..	..	..	..	51,892
20 9.	Other items	..	..	..	..	..	..	1,106,810
Total Division No. 192								£16,294,455

Exhibits.

W.
Extract
from the
Appropriation
Acts of
the
Commonwealth of
Australia,
1947-48.
19th July,
1949.

*Exhibits.***Exhibit N.**

N.
Certificate
of Common-
wealth
Statistician,
4th May
1953.

CERTIFICATE of Commonwealth Statistician.**COMMONWEALTH BUREAU OF CENSUS AND STATISTICS.****" C " SERIES RETAIL PRICE INDEX.****CLOTHING GROUP INDEX-NUMBERS (BASE 1923-27—1,000) AND
CONTRIBUTION BY WOOLLEN CLOTHING 1945-46 TO 1948-49.**

(Weighted Average—Six Capital Cities.)

<i>Quarter</i>		1945-46	1946-47	1947-48	1948-49
September—					
(A) Total Clothing	..	1,415	1,521	1,566	1,778 10
(B) Woollen Clothing	..	410	446	465	534
December—					
(A) Total Clothing	..	1,448	1,550	1,639	1,818
(B) Woollen Clothing	..	411	452	473	552
March—					
(A) Total Clothing	..	1,456	1,525	1,661	1,849
(B) Woollen Clothing	..	413	443	484	573
June—					
(A) Total Clothing	..	1,494	1,534	1,720	1,963
(B) Woollen Clothing	..	438	457	511	652 20

NOTE.—The figures shown in line (B) above show the number of points for woollen and predominantly woollen clothing included in the corresponding figure in line (A), viz. : " Total Clothing."

Explanations—

- (1) The indexes shown above contain little or no imported woollen goods.
- (2) The types of items included in the indexes are selected mainly to represent the usage of wage earners.
- (3) For purposes of the above table goods were considered to be " predominantly woollen " where wool is a main constituent in the particular types of garments whose retail prices are included in the indexes. 30
- (4) Approximately one third of the weight of the clothing group of the " C " Series retail price index consists of goods comprised in the description " woollen or predominantly woollen." The exact ratio may be calculated by taking the ratio of the figures in line (B) to the corresponding figures in line (A) respectively.

This document certified in terms of Sections 4 and 10A of the Evidence Act is published by the Commonwealth Statistician and contains statistics or abstracts thereof compiled and tabulated by the Commonwealth Statistician pursuant to the Census and Statistics Act 1905-1949. 40

S. R. CARVER,
Acting Commonwealth Statistician.

Sydney.
4.5.1953.

Exhibit S.

EXTRACT from the Statistical Handbook of the Sheep and Wool Industry.

Exhibits.

S.
Extract
from the
Statistical
Handbook
of the
Sheep
and Wool
Industry.

No. 48: AVERAGE PRICE PER POUND: GREASY.

Season	New South Wales (a)	Victoria (a)	Queensland	South Australia	Western Australia	Tasmania	Australia
	pence	pence	pence	pence	pence	pence	pence
1925-26	16.64	(d) 17.25	16.69	13.72	15.87	18.25	(d) 16.49
1926-27	17.24	(d) 17.25	17.89	13.86	14.87	18.09	(d) 16.86
1927-28	19.53	(d) 20.79	19.13	16.52	19.27	23.09	(d) 19.50
1928-29	16.50	(d) 17.51	15.68	13.86	15.73	20.21	(d) 16.44
1929-30	10.52	10.55	10.47	8.32	9.75	11.90	10.31
1930-31	8.71	8.79	9.29	6.36	7.67	8.18	8.60
1931-32	8.34	9.59	7.47	6.88	8.39	10.32	8.46
1932-33	8.58	9.02	9.48	7.32	8.31	10.78	8.73
1933-34	15.87	16.43	15.50	13.96	15.62	22.24	15.85
1934-35	9.71	10.12	10.39	8.14	9.12	11.33	9.75
1935-36	14.03	14.87	13.95	11.92	13.42	16.42	14.01
1936-37	16.49	17.62	16.50	13.66	15.19	20.55	16.48
1937-38	12.71	13.14	11.98	11.28	11.80	14.05	12.51
1938-39	10.31	11.10	10.56	9.00	9.81	11.80	10.39
1939-40 (b) (c)	13.62	14.59	13.35	12.01	12.89	15.79	13.60
1940-41 (b)	13.24	14.79	13.26	12.13	13.36	16.41	13.55
1941-42 (b)	13.29	15.01	13.46	11.90	12.99	16.28	13.63
1942-43 (b)	15.31	17.06	15.50	13.87	15.12	18.95	15.64
1943-44 (b)	15.48	17.07	15.85	13.84	15.11	18.95	15.74
1944-45 (b)	15.32	17.11	16.04	13.80	15.21	19.36	15.75
1945-46 (b)	15.28 X	17.01	15.87	13.83	15.44	18.76	15.68
1946-47	23.61	25.42	26.48	22.05	23.97	27.60	24.49
1947-48	37.84	39.61	45.35	35.88	39.23	44.69	39.50
1948-49	46.85	48.82	51.29	44.11	48.34	55.93	48.07

(a) Albury figures included with Victoria. (b) U.K. wool purchase arrangement, includes equalisation dividend.
(c) Includes wool sold prior to commencement of U.K. wool purchase arrangement. (d) Excludes Ballarat.
Source: National Council of Wool Selling Brokers. Figures for 1939-40 to 1945-46 have been computed by adding the appropriate equalisation payments to initial appraised values published by the N.C.W.S.B.

No. 49: AVERAGE PRICE PER POUND: SCOURED.

Season	New South Wales (a)	Victoria (a)	Queensland	South Australia	Western Australia	Tasmania	Australia
	pence	pence	pence	pence	pence	pence	pence
1932-33	13.23	10.53	16.27	12.93	11.34	..	14.08
1933-34	22.92	20.76	26.71	21.89	22.79	18.53	24.01
1934-35	16.46	14.44	18.65	17.43	12.24	..	17.05
1935-36	20.09	17.22	22.77	19.88	19.56	..	20.72
1936-37	24.90	22.39	26.41	24.61	24.58	..	25.25
1937-38	22.83	18.27	20.35	21.07	20.58	..	21.83
1938-39	17.21	16.04	18.20	16.42	17.00	..	17.48
1939-40 (b) (c)	20.91	20.47	22.09	21.00	20.51	20.23	21.04
1940-41 (b)	21.51	21.54	23.47	21.42	22.77	19.77	22.05
1941-42 (b)	20.49	20.95	21.91	20.96	22.30	19.08	21.03
1942-43 (b)	22.95	22.30	27.09	22.80	24.33	21.85	23.80
1943-44 (b)	23.00	21.39	27.77	21.59	22.72	21.74	23.60
1944-45 (b)	22.86	21.43	27.09	21.01	22.76	21.58	23.36
1945-46 (b)	22.81	22.23	27.11	22.05	23.59	21.44	23.85
1946-47	39.70	34.87	48.68	33.72	37.39	34.70	41.48
1947-48	49.81	43.68	65.37	46.25	41.94	42.38	52.74
1948-49	59.97	50.14	82.66	31.40	48.86	52.90	61.96

(a) Albury figures included with Victoria. (b) U.K. wool purchase arrangement, includes equalisation dividend.
(c) Includes wool sold prior to commencement of U.K. wool purchase arrangement.
Source: National Council of Wool Selling Brokers. Figures for 1939-40 to 1945-46 have been computed by adding the appropriate equalisation payments to initial appraised values published by the N.C.W.S.B.

Figures for average price per pound are not available for greasy wool before 1925-26, except for Australia, for certain years from 1907-08 (see below); or for scoured wool before 1932-33, as accurate bale weights are not available for earlier seasons. The figures for the period covered by the second war-time U.K. purchase arrangement include equalisation dividends paid subsequent to appraisement. The relevant figures are:—

	Appraised Price (pence per lb.)		Equalisation Dividend per cent.
	greasy	scoured	
1939-40	12.54	19.92	8.5
1940-41	12.20	20.87	11.0
1941-42	12.44	20.00	9.5
1942-43	14.07	25.03	11.0
1943-44	14.13	25.42	11.25
1944-45	13.99	24.93	12.5
1945-46	13.76 X	24.50	13.9

The calculations cannot be made directly from the figures quoted, however, as the averages include non-participating wool, as well as (for 1939-40) a small quantity sold prior to the commencement of the purchase arrangement; even so, the resultant Australian averages would not coincide exactly with the agreed contract prices, as the dividends were usually paid in a rounded percentage, leaving a small balance on each season's operations to be drawn from or paid into Central Wool Committee funds.

The pre-war figures showed relatively wide fluctuations, from a peak of 19.5 pence per lb. (greasy) in 1927-28 to a low point of 8.5 pence per lb. (greasy) in 1931-32. There have been marked rises since the resumption of auctions, to 24.4 pence in 1946-47 and the record figure of 62.0 pence in 1948-49. As with the averages per bale, the price variations between States arise from differences in the wool types offered for sale in each State, and also, in the case of greasy wool, to differences in overall clean scoured yields.

The Australian average price per lb. (greasy) for years before 1925-26 was as follows:

	d.		d.		d.
1907-08	8.32	1913-14	9.66	1919-20	n
1908-09	8.27	1914-15	8.92	1920-21	11.80
1909-10	9.66	1915-16	11.45	1921-22	12.50
1910-11	9.04	1916-17	n.a.	1922-23	18.15
1911-12	8.47	1917-18	n.a.	1923-24	23.69
1912-13	9.33	1918-19	n.a.	1924-25	26.95

No. 54: AUSTRALIAN EXPORTS OF GREASY WOOL (HOME PRODUCE), BY DESTINATIONS.
QUANTITY.

Destination	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	
United Kingdom ..	'000lb. 228,196	'000lb. 256,839	'000lb. 244,009	'000lb. 209,649	'000lb. 292,702	'000lb. 244,569	'000lb. 277,279	'000lb. 294,412	'000lb. 333,264	'000lb. 539,681	'000lb. 146,331	'000lb. 198,765	'000lb. 173,256	'000lb. 195,987	'000lb. 252,060	'000lb. 237,312	'000lb. 182,493	'000lb. 277,401	'000lb. 335,691	
Canada ..	24	102	112	265	209	741	1,172	376	1,004	2,173	3,932	4,584	10,578	10,518	4,923	5,522	6,891	5,691	3,889	
India ..	467	673	1,210	882	938	1,573	1,042	1,260	1,825	3,419	1,576	1,539	3,411	1,666	1,969	2,226	1,261	625	1,309	
New Zealand ..	..	..	..	..	101	90	165	249	46	73	145	..	..	201	..	56	119	1,438	578
Other British ..	..	..	73	15	4	7	18	45	7	..	..	609	..	..	..	..	608	521	1,048
Austria	2,103	3,458	5,150	2,547	(a)	(a)	220	(c)
Belgium ..	74,488	63,822	89,820	92,649	124,169	102,502	122,001	87,863	104,147	10,436	..	..	..	..	..	68,692	169,301	106,419	95,197
Brazil ..	..	..	..	..	33	..	77	97	256	75	300	..	..	28	7	287	240	70	(c)
China ..	..	36	10	14	31	..	125	71	63	594	236	63	..	..	..	1,045	79	25	(c)
Czechoslovakia ..	510	489	934	1,249	2,026	8,480	15,826	21,985	7,274	8	..	..	..	..	..	174	4,605	3,678	2,063
Denmark ..	..	..	..	6	..	7	..	111	320	..	..	..	..	..	..	202	4,184	854	648
Egypt ..	..	..	..	..	..	59	26	290	254	20	..	692	427	445	233	21	502	310	(c)
France ..	147,454	116,355	122,534	65,018	75,760	64,690	76,234	123,836	162,031	153,310	..	..	..	..	..	89,580	186,387	155,548	196,301
Germany ..	104,320	80,565	111,764	113,530	27,221	27,116	40,741	53,955	(b)35,028	(b)4,462	..	..	..	..	..	..	748	18,769	17,208
Italy ..	37,724	56,740	63,100	58,550	17,695	4,502	35,776	29,578	21,187	3,018	..	..	..	..	..	5,469	108,684	38,060	104,261
Japan ..	151,182	185,662	196,848	170,439	196,124	234,519	84,044	69,163	70,319	50,468	58,101	11,325	..	..	..	..	2,351	1,834	22,647
Mexico ..	..	..	..	9	..	..	14	6	..	..	..	..	..	124	3,799	2,434	1,486	85	3,240
Netherlands ..	956	461	2,256	3,271	16,450	15,297	9,378	7,085	15,702	5,341	..	..	..	..	..	..	6,931	8,052	8,977
Poland ..	..	277	5,490	9,052	12,058	12,680	12,279	17,989	6,955	467	..	..	..	..	..	..	1,537	5,196	29,454
Portugal ..	..	..	..	4	896	816	1,216	2,263	1,348	1,344	..	..	..	..	..	..	934	3,381	2,766
U.S.S.R. ..	..	..	..	..	..	133	49	150	16	..	..	2,817	..	..	..	..	..	11,800	44,775
Spain ..	1,909	1,908	2,464	1,472	5,915	1,531	3	..	..	..	..	..	..	..	..	..	2,967	711	630
Sweden ..	1,335	1,896	1,335	1,586	2,511	1,737	1,537	2,675	6,670	545	..	..	..	..	..	2,164	14,008	4,648	5,519
Switzerland ..	..	..	2,422	2,526	3,238	1,964	1,968	1,470	2,571	134	..	..	..	..	..	237	7,205	3,313	4,998
Turkey ..	..	..	..	..	..	..	..	1,196	1,399	1,530	2,186	2,254	2,305	3,503	6,095	9,693	5,966	6,637	..
U.S.A. ..	20,378	9,363	5,500	5,359	5,449	24,811	72,758	4,194	21,485	16,258	275,624	512,993	328,201	243,841	230,193	288,967	302,772	118,969	70,354	
Other Foreign ..	5	30	21	36	126	538	283	159	416	426	31	..	..	1	..	..	1,017	1,348	5,655
Total ..	768,949	775,210	849,901	735,580	785,760	751,818	759,159	721,826	793,385	793,652	490,880	736,343	518,128	455,115	496,717	711,358	1,019,450	774,223	981,647	

Note: Any discrepancies in totals are due to rounding off.
(a) Included with Germany. (b) Includes Austria. (c) Included, if any, in "Other Foreign".
Source: Commonwealth Bureau of Census and Statistics, Overseas Trade Bulletin.

No. 68: MOVEMENTS IN STOCKS HELD BY U.K.-DOMINION WOOL DISPOSALS LTD. AND SUBSIDIARIES (JOINT ORGANISATION).

	Australian Wool	New Zealand Wool	South African Wool	Total
	bales	bales	bales	bales
Stocks at 1st August 1945	6,896,822	1,787,532	1,834,457	10,518,811
Purchases of interim year clip (1945-46 season)	3,038,072	1,021,883	698,950	4,758,905
Sales from J.O. stocks 1/8/45 to 31/7/46	4,572,866	1,081,726	1,321,845	6,976,437
Stocks at 31st July 1946 (a)	5,123,801	1,698,603	1,141,858	7,964,262
Purchases at auctions 1/8/46 to 30/6/47	70,308	106,294	25,606	204,208
Sales from J.O. stocks 1/8/46 to 30/6/47	2,022,240	654,203	746,784	3,423,227
Stocks at 30th June 1947	3,100,846	1,091,498	348,080	4,540,424
Purchases at auctions 1/7/47 to 31/12/47	9,490	332	2,637	12,459
Sales from J.O. stocks 1/7/47 to 31/12/47	367,848	134,984	98,529	601,361
Stocks at 31st December 1947	2,719,240	948,363	248,514	3,916,117
Purchases at auctions 1/1/48 to 30/6/48	12,808	1,674	3,947	18,429
Sales from J.O. stocks 1/1/48 to 30/6/48	457,711	149,514	105,189	712,414
Stocks at 30th June 1948	2,271,485	801,294	145,679	3,218,458
Purchases at auctions 1/7/48 to 31/12/48	1,493	52	749	2,294
Sales from J.O. stocks 1/7/48 to 31/12/48	435,554	188,774	57,551	681,879
Stocks at 31st December 1948	1,828,278	611,778	87,991	2,528,047
Purchases at auctions 1/1/49 to 30/6/49	2,042	42	122	2,206
Sales from J.O. stocks 1/1/49 to 30/6/49	572,686	200,418	52,828	825,932
Stocks at 30th June 1949	1,254,290	410,883	35,313	1,700,486

Note—The stocks figures at the end of each period are shown after making adjustments for losses or gains in weight in processing, fire insurance claims and such adjustments, figures for purchases and sales therefore do not completely account for net changes in stocks.

(a) Stocks shown at this date include some 2,000,000 bales sold but not invoiced or delivered by the end J.O.'s financial year. Source: Australian Wool Realization Commission.

No. 69: STANDARD RAIL FREIGHT RATES PER TON FOR WOOL: AUSTRALIAN STATE GOVERNMENT RAILWAYS.

Distance	New South Wales			Victoria			Queensland			South Australia			Western Australia			Tasmania		
	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.
50 miles	1	6	3	1	7	10	..	..	..	1	5	7	1	6	2	1	12	3
100 "	2	12	6	2	14	2	3	5	10	2	7	3	2	3	0	2	17	0
150 "	3	18	9	3	9	10	4	6	3	3	5	9	2	14	6	3	16	9
200 "	4	14	6	3	19	7	5	8	2	4	4	4	3	8	1	4	15	0
250 "	5	10	3	4	7	2	5	18	2	5	1	0	4	0	2	5	13	0
300 "	5	18	1	4	13	8	6	6	3	5	17	8	4	7	0	6	6	9
350 "	6	6	0	4	19	1	6	14	4	6	12	6	4	13	3	6	16	6
400 "	6	10	0	5	3	0	6	17	9	7	7	4	5	3	3	..	..	..
500 "	6	17	11	..	..	..	7	8	1	8	13	2	6	3	8	..	..	..
600 "	7	1	9	..	..	..	8	16	0	9	19	2	..	..	..	..	..	..
700 "	7	4	5	..	..	..	9	14	8	..	..	..	..	..	..	..	..	..
800 "	7	7	0	..	..	..	10	5	0	..	..	..	..	..	..	..	..	..
900 "	7	9	8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
1,000 "	7	12	3	..	..	..	11	5	0	..	..	..	..	..	..	..	..	..
1,100 "	..	..	..	..	..	..	11	16	0	..	..	..	..	..	..	..	..	..
1,200 "	..	..	..	..	..	..	12	5	6	..	..	..	..	..	..	..	..	..
1,300 "	..	..	..	..	..	..	12	16	0	..	..	..	..	..	..	..	..	..

Sources:

New South Wales: Merchandise and Live Stock Rates Book: Wool Rates (Effective from 1st October 1947).
 Victoria: Rates for the Carriage of Wool. G.R. 24/303 (R1997/49). (Effective from 1st September 1949).
 Queensland: Derived from rates in the Goods and Live Stock Rates Book, 1st January 1948, as amended by Circular Memo, 30th April 1948.
 South Australia: Freight and Livestock Rates Book: Tariff No. 3, Class 1 (Effective from 7th September 1946).
 Western Australia: Communication from Commercial Agent, Western Australian Government Railways, 10th September 1948 (Effective from 1st September 1948).
 Tasmania: Goods Mileage and Livestock Rates Book. Class 1. (Effective from 21st July 1947.)

The rail freight rates on wool shown in the table, as charged by the Government railway systems of the various States, are those which apply in the absence of any special rate fixed for competitive purposes or to meet any particular local conditions. Such special rates are not common, except in Queensland, where each station has its own separate tonnage rate for wool, and the general scale of charges varies from district to district, with the apparent intention of channelling traffic to the nearest port, and of providing rates in southern districts competitive with those across the border in New South Wales. The rates shown for Queensland are derived from these, and are therefore only approximate.

In addition to the railway systems represented in the table, wool is carried on the Commonwealth Railways Transcontinental and Central Australian lines, and on a number of private lines, such as the Silverton Tramway Co. and the Midland Railway Co. of Western Australia; rates for these lines are comparable to those of the Government railways shown, but they have been omitted as either the distances involved or the tonnages carried are relatively small.

During recent years there have at various times been upward adjustments to the various rates, as part of general increases in freights and fares made necessary by increasing working costs. However, in each case the rates shown are the latest available. It will be noted that the upper limits of mileage vary widely from State to State with the maximum distances involved in each case in the carriage of wool to the seaboard.

Exhibit T.

CALCULATIONS made by Cecil Bruce King.

*Exhibits.*T.
Calculations made
by C. B.
King.NOTES RE CLOTH AND COST OF WOOL CONTENT
CALCULATIONS.

The figures are based upon a 16 oz. worsted suiting made from 64s quality wool.

1. The following figures have been used in calculations :

	Yield of Top and Noil	..	..	..	..	60%
	Tare	..	..	..	..	8 to 1
10	Wastage :					
	Top to yarn	..	..	..	..	10%
	Yarn to finished cloth on basis of 18 oz. of yarn required to give 16 oz. in finished cloth	..	..	..	..	= approx. 11%

2. FURTHER SERIES OF NOTES.

(A) On the basis that 16 oz. of finished cloth requires 18 oz. of yarn to be put in—

There is a wastage in this phase of approximately 11% of yarn put in—

20 Therefore, a piece of 58 yards length of 16 oz. cloth requires 65 lbs. of yarn.

(B) On the basis that there is a wastage of 10% of Top put in in producing the yarn 65 lbs. of yarn requires 72 lbs. of Top to produce.

(C) Using a Tare of 8 to 1, 72 lbs. of Top requires 81 lbs. of Top and Noil to produce.

(D) Assuming a 60% Top and Noil yield, 135 lbs. of greasy wool is required to give 81 lbs. of Top and Noil.

3. (A) 1945/46.

30	Appraisalment price	..	..	..	=13.76d. per lb. greasy
	10%	..	..	..	=1.376d. per lb. greasy
	Appraisalment & 10%	..	..	..	=15.136d. per lb. greasy
	135 lbs. of greasy wool at 15.136d. per lb.	..	..	..	=2043.4d. per piece
					=£8.10.3 per Piece
					=2.11 a yard

	(B) Average price of Greasy wool sold				=24.49d. per lb. greasy
	135 lbs. of greasy wool at 24.49d. per lb.	..	..	..	=3306.15d. per Piece
					=£13.15.6 per Piece
40					=4.9 per yard

<i>Exhibits.</i>	(c) Average price of Greasy wool sold	=39.5d. per lb. greasy
	135 lbs. of greasy wool at 39.5d.	
T.	per lb.	=5332.5d. per Piece
Calcula-		=£22.4.4 per Piece
tions made		=7.8 per yard
by C. B.		
King,		
<i>continued.</i>		

OUTLINE OF EVIDENCE TO BE GIVEN BY C. B. KING CONCERNING
VARIATIONS IN COST OF WOOL CONTENT OF CLOTH.

On Page 49 of "The Statistical Hand Book of the Sheet and Wool Industry" published by the Department of Commerce and Agriculture in 1949, is a Table setting out the average selling price per lb. greasy of 10 greasy wool, appraised or sold, during the various Wool Seasons. Included in this Table and elsewhere on Page 49 is the following information :

For the season 1945/46 the Appraisalment Price for Greasy Wool was 13.76d. per lb.

For the Season 1946/47 the average price per pound of greasy wool sold in Australia was 24.49 pence and that the corresponding figure for the 1947/48 Season was 39.5 pence.

As in the 1945/46 Season Australian Manufacturers obtained their wool at Appraisalment Price plus 10%, this makes the average price for that Season, for this purpose, 13.76 pence plus 1.376 pence, which equals 20 15.136 pence per lb. greasy.

I have taken a plain suiting cloth of 16 oz. weight per yard in its finished state and have assumed that it is made from a 64d quality wool. A 58 yard long piece of such cloth I estimate would take 135 lbs. of greasy wool to produce.

In order to illustrate the effect of increased wool prices and of the Subsidy upon such a cloth I have applied the average selling price of all greasy wool sold or appraised in the respective Seasons to the wool requirement for a yard of such cloth.

During the 1945/46 Season taking wool at Appraisalment plus 10%, 30 that is, 15.136 pence per lb., the cost of the wool required to make a yard of such a cloth would be approximately 2/11d.

In the 1946/47 Season taking the cost of the wool at 24.49 pence per lb., that is, without Subsidy, the cost of the wool required to make a yard of such cloth would be approximately 4/9d.

In the 1947/48 Season taking the cost of the wool as 39.5 pence per lb., that is, without Subsidy, the cost of the wool required to make a yard of such cloth would be approximately 7/8d.

In the Privy Council.

ON APPEAL
FROM THE HIGH COURT OF AUSTRALIA

BETWEEN

THE AUSTRALIAN WOOLLEN MILLS LIMITED
(formerly called **The Australian Woollen Mills Pty. Limited**) (Plaintiff) *Appellant*

AND

THE COMMONWEALTH OF AUSTRALIA (Defendant) . *Respondent.*

RECORD OF PROCEEDINGS
(IN TWO VOLUMES)

VOLUME I

GALBRAITH & BEST,
1 ESSEX COURT,
TEMPLE, E.C.4,
Solicitors for the Appellant.

COWARD, CHANCE & CO.,
ST. SWITHIN'S HOUSE,
WALBROOK, E.C.4,
Solicitors for the Respondent.