

~~P.C.~~  
~~G.D.L.C.~~ 6

Judgment  
4, 1966

IN THE PRIVY COUNCIL

No. 10 of 1965

ON APPEAL FROM THE SUPREME COURT OF  
NEW SOUTH WALES (SITTING IN  
COMMERCIAL CAUSES)

B E T W E E N :

AUSTRALIA AND NEW ZEALAND  
BANK LIMITED

Appellant (Defendant)

- and -

ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI

Respondent (Plaintiff)

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RECORD OF PROCEEDINGS

---

V O L U M E II

(Pages 569 - 871)

Linklaters & Paines,  
Barrington House,  
59-67, Gresham Street,  
London, E.C.2.  
Solicitors for the Appellant

Farrer & Co.,  
66, Lincoln's Inn Fields,  
London, W.C.2.

Solicitors for the Respondent

EXHIBIT 1  
CONVENTION

Defendant  
(Appellants)  
Exhibits

Exhibit 1

Agency Agree-  
ment between  
A.C.E.C. and  
Helios

24th February  
1953

Entre la Societe Anonyme des ATELIERS DE  
CONSTRUCTIONS ELECTRIQUES DE CHARLEROI a Charleroi,  
ayant son siege social 33, rue de Congres a  
Bruxelles, representee par Monsieur Leopold  
CHAINAYE, Directeur General, domicile a Uccle-  
Bruxelles, ci-apres denommee "A.C.E.C.", d'une part,

10 et la Firme HELIOS (Heavy Electrical and Eng.  
Co.) a Sydney, representee par Monsieur T. ISMET  
GULER, son Proprietaire-Directeur, ci-apres denommee  
"Representant",

il a ete convenu ce qui suit

ARTICLE 1.

Les A.C.E.C. confient au Representant, qui  
accepte, leur representation exclusive pour le  
territoire australien, y compris la Tasmanie, pour  
la vente de tout le materiel fabrique par les  
A.C.E.C.

20 La vente des moteurs L.M.B. (La Magneto Belge  
S.A. Bruxelles) et WELCO (Wespelaar-Electro-  
Constructions, Wespelaar-lez-Louvain) ainsi que la  
vente des moteurs electriques pour machines a coudre  
et meuleuses electriques construits par la firme  
SUPER (Constructions Electriques SUPER S.A., Tournai)  
font egalement l'objet du present contrat.

ARTICLE 2.

30 a) Les A.C.E.C. s'interdisent en general de vendre  
dans le territoire precite le material cite a  
l'Article 1, autrement que par l'intermediaire du  
Representant.

b) Toutefois, les A.C.E.C. peuvent, sous reserve  
d'en informer le Representant en temps opportun,  
repondre aux demandes de prix et exécuter des  
commandes qu'ils recevraient de constructeurs,  
d'installateurs, d'assembleurs ou d'entrepreneurs  
generaux, etablis en dehors du territoire  
contractuel du Representant.

Defendant  
(Appellants)  
Exhibits

Exhibit 1  
(continued)

Agency Agree-  
ment between  
A.C.E.C. and  
Helios  
(continued)

24th February  
1953

c) Reciproquement, le Representant s'engage a n'accepter aucune representation etrangere a celle des A.C.E.C. et a ne proposer ni vendre directement ou indirectement du materiel quelconque de provenance etrangere aux A.C.E.C. ou usines associees, sans l'accord des A.C.E.C.

ARTICLE 3.

Sauf indication contraire par l'une ou l'autre des parties, les A.C.E.C. remettront au Representant leurs prix les plus bas, s'entendant generalement dans la monnaie de leur choix pour marchandise rendue FOB Anvers ou CIF Port Australien, emballage approprie compris, tous droits et taxes exclus. 10

a) Pour les affaires citees sub.Art.2 lit.a), les prix comprendront :

- 1) pour le materiel normal (materiel generalement catalogue pour lequel existent des listes de prix exportation) une commission de 5%, quel que soit le montant des fournitures;
- 2) pour le materiel special (generalement non catalogue), le gros materiel, ainsi que pour les fournitures d'ensembles constituees des diverses categories enumerees ci-avant, une commission de 5% sur le montant FOB Anvers n'excédant pas 1 000 000 de francs belges, 3% sur la partie du montant FOB Anvers compris entre 1 000 001 et 2 500 000 francs belges, 2% sur la partie du montant FOB Anvers comprise entre 2 500 001 et 5 000 000 de francs belges, 1% sur la partie du montant FOB Anvers dépassant 5 000 000 de francs belges, sans toutefois que le montant de la commission totale puisse etre inferieur a 2% du montant total FOB Anvers de la fourniture d'ensemble. 30

b) Pour les affaires citees sub.Art. 2 lit.b), et pour autant que la destination australienne du materiel soit connue a priori, les commissions specifees sub.lit.a) 1) et 2) du present article seront reduites de moitie.

ARTICLE 4.

Pour toutes les affaires traitees a son inter-  
vention et quelles que soient les conditions de

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INSTITUTE OF ADVANCED  
LEGAL STUDIES

25 APR 1967

25 RUSSELL SQUARE  
LONDON, W.C.1.

paiement qui auront été déterminées d'un commun accord

- a) sauf accord des A.C.E.C., le Représentant ne peut traiter que dans la monnaie stipulée aux offres des A.C.E.C.,
- b) le Représentant se porte garant vis-à-vis des A.C.E.C. de la solvabilité de ses clients,
- c) les commissions spécifiées à l'article 3 ne sont dues qu'à bonne fin.

Defendant  
(Appellants)  
Exhibits

Exhibit 1  
(continued)

Agency Agree-  
ment between  
A.C.E.C. and  
Helios  
(continued)

24th February  
1953

- 10 Pour les marchés importants avec certaines administrations, les contrats seront passés directement entre les clients et les A.C.E.C.

#### ARTICLE 5.

Le Représentant s'engage à faire la publicité utile pour le développement des ventes dans son territoire, à faire visiter régulièrement la clientèle, à se tenir au courant des nouvelles possibilités d'affaires, en un mot à remplir vis-à-vis des A.C.E.C. toutes les obligations d'un bon Représentant.

- 20 Il s'engage notamment à

- 1) ouvrir dans le centre de la ville de Sydney un bureau de représentation des A.C.E.C.,
- 2) concéder, à l'initiative d'une des parties et avec l'accord de l'autre, des sous-agences pour la vente de produits spéciaux exigeant une connaissance technique particulière ou la pratique d'usages commerciaux spécifiques, et ce dans tous les cas où une telle concession s'avérerait opportune.

- 30 Tous les frais de publicité, correspondance, télégrammes, acquisition de cahiers de charges, déplacements et autres généralement quelconques sont à charge du Représentant.

#### ARTICLE 6.

Les A.C.E.C. prêteront au Représentant l'assistance technique qu'ils estimeront opportune et adéquate.



Defendant  
(Appellants)  
Exhibits

Exhibit 1  
(continued)

Agency Agree-  
ment between  
A.C.E.C. and  
Helios  
(continued)  
24th February  
1953

Ils faciliteront le travail du Representant par la fourniture gratuite de leurs publications de toute nature, agendas et autre materiel de propagande et de publicite qu'ils fournissent normalement a leurs bureaux etrangers.

ARTICLE 7.

Le Representant s'engage a liquider dans le plus bref delai possible la situation de notre agent en consignation, ELECTRO MECHANICAL PRODUCTS a Melbourne, suivant les instructions que les A.C.E.C. 10 donneront au Representant.

D'autre part, si dans l'avenir la situation du marche australien le justifie, les A.C.E.C., a la demande du Representant, accepteraient de lui confier un depot en consignation du materiel de vente courante, qui ferait l'objet d'une convention distincte.

ARTICLE 8.

Le present contrat est conclu pour une periode de trois ans prenant cours le 1er mars 1953 et expirant le 28 fevrier 1956. 20

Il sera prolonge par tacite reconduction aussi longtemps que, moyennant preavis de six mois, l'une des parties contractantes n'aura pas signifie a l'autre, par lettre recommandee, sa decision d'y mettre fin.

Cependant, dans le cas de violation d'une ou plusieurs clauses du present contrat par l'une des parties, l'autre pourra y mettre fin de plein droit, apres mise en demeure.

En outre, les A.C.E.C. se reservant le droit de 30 modifier la forme de la representation pendant la duree du contrat, comme par exemple la creation d'une societe de representation de droit australien a capital majoritaire belge, s'il s'averait que cette modification est necessaire ou simplement utile. Dans ce cas, le Representant serait autorise, s'il en exprime le desir, de participer a la formation de la societe et d'y assumer des fonctions qui seront a definir en temps opportun.

ARTICLE 9.

Tous differends decoulant du present contrat seront tranches definitivement suivant le reglement de Conciliation et d'Arbitrage de la Chambre de Commerce Internationale, par un ou plusieurs arbitres nommes conformement a ce reglement.

Fait en double exemplaire, chacune des parties en conservant un, et de bonne foi, a Charleroi, le 24 fevrier 1953

Defendant  
(Appellants)  
Exhibits

Exhibit 1  
(continued)

Agency Agree-  
ment between  
A.C.E.C. and  
Helios  
(continued)

24th February  
1953

10 Pour HELIOS Pour les ATELIERS DE CONSTRUC-  
TIONS ELECTRIQUES DE CHARLEROI.  
(Sgd.) T. ISMET GULER (Sgd.)

A V E N A N T No. 1 A LA

CONVENTION passee le 24/2/1953 entre la

- SOCIETE ANONYME DES ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI a Charleroi

et la firme

- HELIOS (HEAVY ELECTRICAL ENGINEERING CONTRACTING  
Co.) a Sydney.

Codicil to  
Agency Agree-  
ment between  
A.C.E.C. and  
Helios  
8th June 1954

20 De commun accord, les premier et deuxieme  
alineaes de l'article 8 sont annules et remplaces  
par les dispositions suivantes :

- Le contrat viendra a expiration le 28 fevrier  
1957

- Le 31 decembre de chaque annee, il sera prolonge  
d'un an par accord tacite, aussi longtemps qu'une  
des deux parties n'aura pas signifie a l'autre,  
par lettre recommandee, sa decision d'y mettre  
fin.

30 Charleroi, le 8 juin 1954

Pour HELIOS, POUR LES ATELIERS DE CONSTRUCTION  
(Sgd.) T. GULER ELECTRIQUES DE CHARLEROI  
(Sgd.)

Defendant  
(Appellants)  
Exhibits

EXHIBIT 2

A G R E E M E N T

Exhibit 2

Translation  
of Agency  
Agreement  
between  
A.C.E.C. and  
Helios

24th February  
1953

Between the Limited Company ATELIERS DE CONSTRUCTION ELECTRIQUES DE CHARLEROI, at Charleroi, having its Head Office 33, rue du Congres at Brussels, represented by Mr. Leopold CHAINAYE, General Manager, living at Uccle-Bruxelles, hereinafter called "A.C.E.C." of the first part,

and the firm HELIOS (Heavy Electrical and Eng.Co.) at Sydney, represented by Mr. T. ISMET GULER, its Owner-Manager, hereinafter called "Agent" 10

it has been agreed as follows:

ARTICLE 1.

The A.C.E.C. entrust to the Agent, who accepts, their exclusive representation for the Australian territory, including Tasmania, for the sale of all material manufactured by A.C.E.C.

The sale of motors L.M.B. (La Magneto Belge S.A.Brussels) and WELCO (Wespelaar-Electro-Constructions, Westpelaar-lez-Louvain) also the sale of electric motors for sewing machines and electrical grinding machines manufactured by the Company SUPER (Constructions Electriques SUPER S.A., Tournai) are also the subject of the present contract. 20

ARTICLE 2.

a) The A.C.E.C. are prohibited in general to sell in the said territory the material mentioned in Article 1, except through the intermediary of the Agent.

b) Nevertheless, the A.C.E.C. can, under reserve to advise the Agent in due course, reply to requests for prices and to carry out orders which they would receive from engineers assemblers or general builders established outside the contractual territory of the Agent. 30

c) Reciprocally, the Agent undertakes not to accept any Agency competitive to that of A.C.E.C. and not to offer nor sell directly or indirectly any material whatsoever from overseas sources to A.C.E.C. or associated factories, without the agreement of A.C.E.C. 40

ARTICLE 3.

Unless otherwise advised by one or the other of the parties, the A.C.E.C. will forward to the Agent their lowest prices, quoted generally in the currency of their choice for goods despatched FOB Antwerp or CIF Australian Port, including suitable packing, customs duties and taxes excluded.

a) For the affairs mentioned under article 2 sub-title a), the prices will include:

- 10 1.) For the usual material (material generally catalogued for which there are export prices lists), a commission of 5%, whatever the amount of the supplies;
- 2.) For the special material (generally not catalogued), the heavy equipment also for the supplies of assembled equipment made up from the various categories mentioned above, a commission of 5% on the amount FOB Antwerp not exceeding 1,000.000 Belgian Francs.
- 20 3% on the part of the amount FOB Antwerp between 1.000.001 and 2.500.000 Belgian Francs.
- 2% on the part of the amount FOB Antwerp between 2.500.001 and 5.000.000 Belgian Francs.
- 30 1% on the part of the amount FOB Antwerp exceeding 5.000.000 Belgian Francs, without however the amount of the total commission can be less than 2% of the total amount FOB Antwerp of the whole supply.

b) For the affairs mentioned under article 2 sub-title b), and inasmuch as the Australian destination of the material is known a priori, the commissions mentioned under sub-title a) 1.) and 2.) of the present article will be reduced by half.

ARTICLE 4.

40 For all business transacted through him and whatever the conditions of payment which will have been decided by common agreement

Defendant  
(Appellants)  
Exhibits

Exhibit 2  
(continued)

Translation  
of Agency

Agreement  
between  
A.C.E.C. and  
Helios  
(continued)

24th February  
1953

Defendant  
(Appellants)  
Exhibits

Exhibit 2  
(continued)

Translation  
of Agency  
Agreement  
between  
A.C.E.C.  
and Helios  
(continued)

24th February  
1953

- a) without agreement of the A.C.E.C., the Agent can only transact in the currency stipulated in the quotations of the A.C.E.C.,
- b) the Agent stands as guarantor vis-a-vis the A.C.E.C. for the solvability of his clients,
- c) the commissions mentioned in article 3 are payable only on final settlement.

For important contracts with certain authorities, the contracts will be drawn up directly between the clients and the A.C.E.C. 10

#### ARTICLE 5.

The Agent undertakes to make use of necessary publicity to develop sales in his territory, to visit regularly his clients, to keep informed of new possibilities of business, and in short to fulfil vis-a-vis the A.C.E.C. ALL THE obligations of a good Agent.

He undertakes principally to

- 1.) open in the business quarters of Sydney an Agency of A.C.E.C. 20
- 2.) and to admit on the initiative of one of the parties and with the agreement of the other, sub-agencies for the sale of special products demanding a particular technical knowledge or the practice of specific commercial uses, and this in all cases where such an admission would prove advisable.

All expenses for publicity, correspondence, cables, purchase of specifications, travelling expenses and others generally whatsoever are at the charge of the Agent. 30

#### ARTICLE 6.

The A.C.E.C. will afford to the Agent technical assistant which they will consider advisable and sufficient.

They will facilitate the work of the Agent by the free supply of their publications of all nature, agendas and other material of advertising and publicity which they supply normally to their foreign branches.

ARTICLE 7.

The Agent undertakes to liquidate in the briefest possible delay the position of our consign-ment Agent ELECTRO MECHANICAL PRODUCTS, Melbourne, in accordance with instructions which the A.C.E.C. will give to the Agent.

10 On the other hand, if in the future the position of the Australian market justifies it, the A.C.E.C., at the request of the Agent, would accept to entrust to him consignment of material for current sale which would be the subject of a separate agreement.

ARTICLE 8.\*

The present contract is concluded for a period of 3 years dating from 1st March 1953 and expiring 28 February 1956.

20 It will be extended by tacit agreement for as long a period as, on condition that notice of six months be given, one of the contracting parties would not have advised the other, by registered letter, of his decision to conclude same.

However, in the case of breach of one or more clauses of the present contract by one of the parties, the other will be able to conclude same in full rights, after formal notice.

30 Besides, the A.C.E.C. reserves the right to amend the form of the Agency during the period of the contract, as for example the creation of a Company of Representation under Australian law with a majority of Belgian capital, if it was established that this amendment is necessary or simply useful. In this case, the Agent would be authorised, if he expresses the desire to participate in the formation of the Company, to undertake the functions which will be defined in due course.

\* (First and second paragraphs). (Article 8 is cancelled and replaced by the Codicil No.1 of 8/6/54 of which copy herewith.)

Defendant  
(Appellants)  
Exhibits

Exhibit 2  
(continued)

Translation  
of Agency  
Agreement  
between  
A.C.E.C. and  
Helios  
(continued)

24th February  
1953

Defendant  
(Appellants)  
Exhibits

Exhibit 2  
(continued)

Translation  
of Agency  
Agreement  
between  
A.C.E.C. and  
Helios  
(continued)  
24th February  
1953

ARTICLE 9.

All differences of opinion arising from the present contract will/definitely settled in /((be) accordance with the ruling of "Conciliation et Arbitrage de la Chambre de Commerce Internationale", by one or more referees appointed in accordance with this ruling.

Made in two copies, each of the parties holding one, and in good faith, at Charleroi, the 24th February 1953.

For Helios

For ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI

GULER

10

Translation  
of Codicil  
to Agency  
Agreement  
between  
A.C.E.C. and  
Helios  
8th June 1954

CODICIL NO. 1 A LA

AGREEMENT made the 24/2/53 between the

- LIMITED COMPANY " ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI, at Charleroi

and the firm

- HELIOS (HEAVY ELECTRICAL ENGINEERING CONTRACTING CO),  
at Sydney

20

In common agreement, the first and the second paragraphs of article 8 are cancelled and replaced by the following clauses:

- The contract will expire on the 28th February 1957.
- On 31st Decemer of each year, it will be extended for one year by tacit agreement, for as long as one of the parties will not have advised the other by registered letter of his agreement to conclude same.

Charleroi, 8th June 1954

For HELIOS

For LES ATELIERS DE CONSTRUCTIONS 30  
ELECTRIQUES DE CHARLEROI

GULER

Manager Export Division.

EXHIBIT 3AGREEMENT

Defendant  
(Appellants)  
Exhibits

Exhibit 3  
(continued)

Translation  
of Agency  
Agreement  
between  
A.C.E.C. and  
Helios

24th February  
1953

10 Between the Society ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI, having its office at 33  
rue du Congres a Bruxelles, represented by Mr.  
Leopold CHAINAYE, Director General, domiciled at  
Uccle-Bruxelles, hereinafter called "A.C.E.C." of  
the one part, and the firm HELIOS (Heavy Electrical  
and Eng. Co.) at Sydney represented by Mr. T. Ismet  
Guler, its Owner-Director, hereinafter called the  
"Agent",

It is agreed as follows

ARTICLE 1.

A.C.E.C. grants to the Agent, who accepts the  
same, their exclusive representation in Australia,  
including Tasmania, for the sale of all material  
made by A.C.E.C.

20 The sale of motors L.M.B. (La Magneto Belge  
S.A.Bruxelles) and WELCO (Wespelaar-Electro-  
Constructions, Wespelaar-lex-Louvain) as well as  
the sale of electric motors for sewing machines,  
electric grinders made by the firm SUPER (Construc-  
tions Electrique SUPER S.A., Tournai) are equally  
the object of this present contract.

ARTICLE 2.

a) A.C.E.C. undertakes in general not to sell  
in the prescribed territory goods quoted in Article 1  
other than through the Agent.

30 b) At all times A.C.E.C. may under advice to the  
Agent of the circumstances at the first available  
opportunity reply to requests for price quotes and  
execute orders which may be received direct from  
constructors, installers, assemblers or general  
dealers, established in the contractual territory  
of the Agent.

40 c) Reciprocally the Agent undertakes not to  
accept any other agency than that of A.C.E.C. and  
not to sell directly or indirectly articles other  
than A.C.E.C. or its associates without the  
permission of A.C.E.C.



Defendant  
(Appellants)  
Exhibits

Exhibit 3  
(continued)

Translation  
of Agency  
Agreement  
between  
A.C.E.C. and  
Helios  
(continued)

24th February  
1953

ARTICLE 3.

Unless indicated to the contrary by one or the other of the parties, A.C.E.C. will forward the Agent their lowest prices indicating generally the currency of their choice for goods sent FOB Anvers or CIF to an Australian port, packing included, all rights and taxes excluded.

a) For matters quoted in sub.Art.2 section a), the price will include:

- 1) for normal material (material catalogued generally 10 for which export prices exist) a commission of 5% whatever may be the price of the articles;
- 2) for special material (generally not catalogued) wholesale cost of material as well as for the complete assemblies made up from the various categories enumerated above, a commission of 5% on the FOB price Anvers not exceeding 1 000 000 Belgian francs, 3% on that part of the FOB price Anvers comprised between 1000 001 and 2 500 000 Belgian francs, 2% on that part of the price FOB Anvers 20 comprised between 2 500 001 and 5 000 000 Belgian francs, 1% on that part of the price FOB Anvers above 5 000 000 Belgian francs without, however, that the total of the commission may be less than 2% of the total FOB price Anvers of the entire shipment.

b) For matters quoted sub.Art.2 section b) and so far as the Australian destination of the goods may be known in advance, the commissions specified sub. section a) 1) and 2) of the present article will be 30 reduced by half.

ARTICLE 4.

For all matters managed by his intervention and whatever may be the conditions of payment which will be determined by mutual agreement

- a) Without permission of A.C.E.C., the Agent may not deal except in the currency stipulated in the offers of A.C.E.C.
- b) The Agent holds himself as guarantor to the A.C.E.C. for the financial standing (solvability) of his 40 clients.

c) Commissions specified in Article 3 are not due and payable until the transaction is completely finalised.

Defendant  
(Appellants)  
Exhibits

For important matters with certain administrations, contracts will be passed direct between the clients and A.C.E.C.

Exhibit 3  
(continued)

ARTICLE 5.

Translation  
of Agency  
Agreement  
between  
A.C.E.C. and  
Helios  
(continued)  
24th February  
1953

10 The Agent undertakes to make good use of publicity and advertising to develop sales in his territory, to regularly visit his customers, and to at all times keep himself in touch with affairs generally, in a word to conduct himself on behalf of A.C.E.C. in all the obligations of a good Agent.

He undertakes specifically to

- 1) open in a central part of Sydney an office as Agent of A.C.E.C.
- 2) to concede at the request of one of the parties and with the permission of the other sub agencies for the sale of special articles requiring a special technical knowledge or the use of special commercial designs and this in every case where a similar concession would be advantageous.

20 All costs of advertising, correspondence, telegrams, stationery of all kinds and other general costs whatever are the responsibility of the Agent.

ARTICLE 6.

A.C.E.C. will offer to the Agent what technical assistance they estimate to be opportune and adequate.

30 They will ease the work of the Agent by furnishing free their publications of all types, lists and other advertising material, which they normally furnish to their overseas agents.

ARTICLE 7.

The Agent undertakes to finalise with minimum delay possible the situation of our consignees agent, ELECTRO MECHANICAL PRODUCTS at Melbourne, following instructions which A.C.E.C. will give to the Agent.

Defendant  
(Appellants)  
Exhibits

Exhibit 3  
(continued)

Translation  
of Agency  
Agreement  
between  
A.C.E.C. and  
Helios  
(continued)  
24th February  
1953

On the other hand should the future circumstances of business in Australia warrant it, A.C.E.C., at the request of the Agent, will accept from him the agency of a depot in consigning material for current sale, which will be the subject of a special agreement.

ARTICLE 8.

The present contract will end after a period of 3 years from the 1st March, 1953 expiring 28th February 1956. It will be continued by (tacit reconducting) mutual agreement until, by means of six months notice, one of the contracting parties signifies to the other by registered letter, his decision to terminate same. 10

However, in the case of violation of one or more of the clauses of the present contract by one of the parties, the other may terminate same forthwith, after the conclusion of current matters.

Moreover, the A.C.E.C. reserves the right to modify the nature of the agency during the currency of the contract as, for example the formation of a representative company in Australia from Belgian capital if it holds that this modification is necessary or merely desirable. In this case the Agent will be authorised, if he so desires, to participate in the formation of the company and to assume therein those functions which will be defined in good time. 20

ARTICLE 9.

All differences arising from this present contract will be definitely resolved under the rules of the conciliation and arbitration of the International Chamber of Commerce by one or more arbitrators nominated according to its rules. 30

Made in duplicate, each party to hold one copy in good faith at Charleroi, 24th February 1953.

EXHIBIT NO. 4.JMA  
AIR MAILSpecial No. 74/54  
Date 21st May, 1954.AUSTRALIA AND NEW ZEALAND BANK  
LIMITED

London Office

To The Manager,  
Martin Place and George  
Street, Sydney Branch.Defendants  
(Appellants)  
Exhibits

Exhibit '4'

Letter -  
A.N.Z. Bank  
London to  
A.N.Z. Bank  
Sydney21st May,  
1954.

10 1. We continue our advices.

2. 15/BANQUE DE LA SOCIETE GENERALE DE BELGIQUE

We enclose herewith a translation of a letter we have received from the above named bank. Although the request would appear to be a reasonable one, we shall be glad if you will kindly let us know, by cable, whether you are agreeable to the proposal. We assume that the normal scale of charges will apply.

(Sgd) -  
Sub Manager.20 Translation of a letter from Banque de la Societe  
Generale de Belgique, Charleroi to A. & N.Z. Bank  
Ltd of 18.5.54.Exhibit '4'  
(continued)

Our good customers the Ste. Ame, des Ateliers de Contructions Electriques de Charleroi, Charleroi, have asked us to get in touch with your institution in order to know if you would be willing, by means of a guarantee issued by our bank, to grant through the good offices of your Sydney Office a credit for £A2,000 to their representatives Messrs. Helios, National Building 250, Pitt Street, Sydney.

Translation  
Letter -  
Belgian Bank  
to A.N.Z. Bank  
Ltd18th May,  
1954.

30

This credit would be available as follows:-

1) up to the amount of £A1,000 maximum for establishment of cash deposits in favour of public authorities or public or private organisations calling for tenders. These deposits would be made directly by your Sydney Office for the account of Messrs. Helios. The sums in question would in no case be permitted to be placed at the disposal

Defendants  
(Appellants)  
Exhibits

of the said firm, or to the credit of their account  
in the books of your branch.

Exhibit '4'  
(continued)

2) up to an amount of £A1,000 to be used  
for the issue of Letters of Guarantee which would  
enable Messrs. Helios to take part in the tenders  
referred to.

Translation  
Letter -  
Belgian Bank  
to A.N.Z. Bank  
Ltd.  
(continued)

Various costs and charges in connection  
with the opening of this credit would be placed to  
the debit of our account. Will you please indicate  
to us the amount of these expenses and inform us  
whether you would be agreeable to undertake this  
transation.

10

18th May,  
1954.

Awaiting your earlies news on the subject  
we are etc.....

Exhibit '4'  
(continued)

TRANSLATION

Translation  
Letter -  
A.C.E.C. to  
Helios

A.C.E.C.  
ATELIERS DE CONSTRUCTIONS ELECTRIQUES  
DE CHARLEROI

CD/VEX.TRF

BY AIRMAIL 1 and 2

23rd November,  
1954.

HELIOS,  
G.P.O. Box 4517  
SYDNEY,  
Australia.

Charleroi,

20

Our Reference  
X/OIP/2/BRU 520 119  
520 127

23rd November, 1954

Subject Matter: SNOWY MOUNTAINS HYDRO-  
ELECTRIC AUTHORITY  
CONTRACT 40 006  
7 - 56 MVA SINGLE PHASE  
TRANSFORMERS for T1  
POWER STATION.

30

Dear Mr. Guler,

We have the pleasure to send you, to-day  
the documents to be completed and transmitted to  
the client, namely:

1. "original" set, under leather cover, comprising:

- |    |   |   |
|----|---|---|
|    | - Volume I (complete tender documents and our type specification)   | Defendants<br>(Appellants)                                      |
|    | - Volume II (Appendices and drawings)   | <u>Exhibits</u>   |
| 1  | "duplicate" set, under leather cover, comprising:   | Exhibit '4'<br>(continued)                                      |
|    | - Volume I (as Volume I hereabove, but the "Tender Documents" are reduced to "Schedules and Tender Forms".) | Translation<br>Letter -<br>A.C.E.C. to<br>Helios<br>(continued) |
|    | - Volume II (as Volume II hereabove)  |   |
| 10 | 2 sets under leather cover of our documents "Transformer Division - our references on 220 kV transformers". | 23rd November,<br>1954.   |

Furthermore, we attach for your own record a supplementary set (Vol. I and Vol. II) under leather cover and one supplementary set of documents 220 kV to be handed to the client if you should think it of any use.

Will you please complete these documents in accordance with our following instructions:

20 a) Covering letter

This letter is to be written by you and addressed to the SNOWY MOUNTAINS HYDRO ELECTRIC AUTHORITY together with the abovementioned documents. We beg you to particularly insist, in this letter, on the following points:

1) Tolerance on the dimensions

We do not accept any "additional" tolerance. The margin of tolerance shall therefore be (+0%-10%)

30 2) Strength of material

We leave it to you to remind the SNOWY of the letter you have forwarded at the time regarding the behaviour of our SHELL type during a case of fall during handling.

3) Shipment without oil - maintenance period - assembly and drying on the spot.

See our comments on this matter in the corresponding paragraph hereunder.

Defendants  
(Appellants)  
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- 4) You must mention, in accordance with clause 1 of Schedule VII, section (ii) if the amount of your commission is incorporated in the FOB price forwarded to the client.

Exhibit #4:  
(continued)

b) Specification

Translation  
Letter -  
A.C.E.C. to  
Helios  
(continued)

The typed specification which we are attaching (Vol.I) bears the whole of clauses 1 to 22, part A, of the charges book. We are leaving you some ten pages in blank to allow you to eventually alter the text in reply to clauses 1 to 9 and 20 to 22. On this matter, please note some comments which we judge necessary to add to this letter, with regard to your letter of 12/11 received at Charleroi on 22/11 (see paragraph f hereto).

10

23rd November,  
1954.

c) Schedules and Tender Forms

Will you please fill Schedules (VII) and (VIII) and sign the Tender Forms as well as parts B, C, and D of the charges book. We also leave it to you to initial, if necessary, all the pages of the documents forwarded, including those you will be adding yourself.

20

Schedule VI deals with a typed note which follows our specification. We feel it is preferable not to include this note within the body of the "Tender Documents" and to leave these entirely in their initial state.

The following particulars in paragraphs (e) and (f) will allow you to complete Schedules VII and VIII.

30

d) Graph of payments

As we do not hold all the elements of prices to be forwarded to the client, will you please determine yourself the graph of payments as requested at the end of clause A3. This graph must be made for the following two assumptions:

- 1) Case of one global order of 7 units
- 2) Case of one global order of 4 units

Will you please file this document in accordance with Appendix XIb of Volume 11.

40

e) Price and commission

These prices are forwarded to you in the annexed quotation and have been established separately for:

- 1st) Global order of 7 units
- 2nd) Supplement for a global order of 4 units.

10 We advise you of the value of the material for FOB delivery Antwerp, but without insurance, nor commission. It has been agreed with you, at the Transformers department, that the price specified in the abovementioned conditions should not exceed the following limits for the lot Transformer+filling oil (prices given separately for the transformer without any oil and with oil).

A1 - A2	4,500,000 Belgian Francs
B1 - B2	4,300,000 Belgian Francs

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Translation  
Letter -  
A.C.E.C. to  
Helios  
(continued)

23rd November,  
1954.

20 It is thus with A1 and B1 taking into account marginal cost prices for packing, transport costs Charleroi - Antwerp, put on board, costs of receipt, general commercial costs brought to 2.5% and of your contract commission of 2%.

The corresponding prices of alternative A2 and B2 slightly exceed the undermentioned limits:-

for alternative A2	4,550,000
for alternative B2	4,365,000

30 The consideration is relatively weak and inferior to the degree of precision of the prices calculation. On these conditions, we feel that Mr. CHEVALIER will agree to retain these prices. You have, on the other hand, verbally given your consent to reduce your commission to 1.5% if this sacrifice is made necessary.

40 We advise the freight cost resulting from a quotation from ATRAMEF increased by 2.5% for general commercial costs. The values shown relate to transport of transformers filled with oil. We advise as an alternative the values corresponding to a shipment without oil.

The insurance will be based on LUMLEY's proposals of 27/9/54 letter of which photostat



Defendants  
(Appellants)  
Exhibits

copy is returned herewith. Will you please establish the total insurance premium taking into account the extension of the guarantee period to 30 months instead of the requested 12 months.

Exhibit '4'  
(continued)

Please note that war risks are not to be incorporated in the insurance. The conditions of payment we have adopted neither require the cover of any type of bank guarantee.

Translation  
Letter -  
A.C.E.C. to  
Helios  
(continued)

The rates of salaries and of materials will be confirmed in a few days by FABRIMETAL together with the corresponding date.

10

23rd November,  
1954.

We have shown separately the FOB prices of the proposed spares. For the establishment of C.I.F. prices, we advise you to increase these prices by 7% for the 1st post (reeling) and 10% for the other posts.

With regard to the Home Consumption Value, will you please discuss this with Mr. CHEVALIER. It is evident that a similar market does not exist in Belgium for transformers of 330.000 volts, which eliminates all risk which we could still run at the time of the value in question.

20

Mr. HAESAERTS, is of the opinion of stipulating that in the case of obtaining an order for similar material to be installed in Belgium, we would quote the same scale of prices of this contract.

f) Delivery - Assembly and putting into operation

The periods are given in "calendar months" in Schedule 11 and have been calculated on the basis of a starting date fixed to the 15th March, 1955 (three months after date of contract).

30

In agreement with Mr. HAESAERTS, we bring some light amendments or confirmations to the text that you propose in your letter of 12/11/54 (pages 10 to 17). In addition to the specialist put permanently at the disposal of the client, we are also in agreement with the two alternatives offered for the assembly.

1st Alternative:

40

We confirm that the weekly salary of our lision engineer will be of £A.25 per week namely

£A.100 per MONTH.

Will you please show the following charges to posts 1 and 2 of Schedule VIII Section (ii) for "Chief Fitter" ACEC whom we will send as supervisor, namely:-

Item 1 : £A.400 per month } "Chief fitter"  
 Item 2 : £A.1150 } ACEC  
 Item 3 : £A.100 per month for your HELIOS liaison engineer.

Defendants  
 (Appellants)  
Exhibits

Exhibit '4'  
 (continued)

Translation  
 Letter -  
 A.C.E.C. to  
 Helios  
 (continued)

10 (a) show: one skilled fitter (liaison engineer)  
 (b) show: for the full period of the estimated time necessary i.e. about 5 weeks per transformer. 23rd November, 1954.

Item 4 : to be assessed by you, if necessary.

2nd Alternative:

20 We agree with regard to the amounts shown per transformer. It is understood that these amounts must cover the costs incurred by the mission of our "Chief fitter" ACEC, costs assessed, at the minimum, at the abovementioned values (1st alternative item 1 and item 2).

We remain at your disposal for any further information you may require.

Yours faithfully,

The Manager of the Export  
 Division.

The Engineer Head of Department.

Exhibit '4'  
 (continued)

SCHEDULE VII - Section (ii)

Page A 45 - Clause 5

30 (ii) and (iii) : The insurance will be based on LUMLEY's proposals considering 12 months of warehousing and 30 months of "maintenance".

Enclosure with  
 translation  
 letter A.C.E.C.  
 to Helios

23rd November,  
 1954.

(iv) Freight : We forward hereafter the values

Defendants  
(Appellants)  
Exhibits

obtained from ATRAMEF bearing of necessity the loading commission of 2.5% and our general commercial costs of 2.5%.

Exhibit '4'  
(continued)

Enclosure with translation letter A.C.E.C. to Helios  
(continued)

A) Transport of transformers filled with oil

Alternative A1 : 420 000 Belgian Francs  
Alternative A2 : 460 000 Belgian Francs  
Alternative B1 : 390 000 Belgian Francs  
Alternative B2 : 435 000 Belgian Francs

10

23rd November, 1954.

B) Transport without oil

In this case, the weights of shipment of the main parcels and of the conservators are brought to: (English tons):

	<u>Principal Parcel</u>	<u>Conservator</u>
Alternative A1	83 T	0.55 T
Alternative A2	84 T	0.55 T
Alternative B1	79 T	0.55 T
Alternative B2	80 T	0.55 T

20

The total costs of the freight given under (a) hereabove becomes:

Alternative A1	:	328 000 Belgian Francs
Alternative A2	:	354 000 Belgian Francs
Alternative B1	:	310 000 Belgian Francs
Alternative B2	:	328 000 Belgian Francs

Page A 45 - Clauses 6 and 7

Will you please add our conditions DE 950 of which we attach 4 copies.

The basic rates of salaries and materials will be officially certified by FABRIMETAL.

30

TENDER PRICE DETAILS

The prices given hereunder are established on an FOB basis, without oil, but do not include the insurance of Charleroi - Antwerp transport nor do they include your commission.

	<u>Item 1 (a) (Alternative A1)</u>		Defendants (Appellants) <u>Exhibits</u>
	7 Transformers without oil		
	Unit price	Belgian Francs 4,275,000	
	<u>Total price</u>	<u>Belgian Francs 29,925,000</u>	Exhibit '4' (continued)
	<u>Item 1 (b) (Alternative A1)</u>		
	Oil for 8 transformers per transformer	Belgian Francs 135,000	Enclosure with translation letter A.C.E.C. to Helios (continued)
	<u>Total</u>	<u>Belgian Francs 1,080,000</u>	
	<u>Item 2 (a) (Alternative A2)</u>		
10	7 transformers without oil		23rd November, 1954.
	Unit Price	Belgian Francs 4,260,000	
	<u>Total</u>	<u>Belgian Francs 29,820,000</u>	
	<u>Item 2 (b) (Alternative A2)</u>		
	Oil for 8 transformers per transformer	Belgian Francs 196,000	
	<u>Total</u>	<u>Belgian Francs 1,568,000</u>	
	<u>Item 3(a) (Alternative B1)</u>		
	7 transformers without oil		
	Unit Price	Belgian Francs 4,079,000	
20	<u>Total</u>	<u>Belgian Francs 28,553,000</u>	
	<u>Item 3 (b) (Alternative B1)</u>		
	Oil for 8 transformers per transformer	Belgian Francs 135,000	
	<u>Total</u>	<u>Belgian Francs 1,080,000</u>	
	<u>Item 4 (a) (Alternative B2)</u>		
	7 transformers without oil		
	Unit Price	Belgian Francs 4,080,000	
	<u>Total Price</u>	<u>Belgian Francs 28,560,000</u>	
	<u>Item 4 (b) (Alternative B2)</u>		
30	Oil for 8 transformers per transformer	Belgian Francs 196,000	
	<u>Total</u>	<u>Belgian Francs 1,568,000</u>	

SCHEDULE VII

Section (i) See our covering letter.

Defendants  
(Appellants)  
Exhibits

Section (ii)

Item 1 (a) 25,000 Belgian Francs  
(b) 25,000 Belgian Francs

Exhibit '4'  
(continued)

Item 2 nil, our prices do not show this item, seeing the impossibility in which we find ourselves to effect it (see Schedule VI)

Enclosure with translation letter A.C.E.C. to Helios  
(continued)

Item 3 5,000 Belgian Francs.

Section (iii)

23rd November, 1954.

For 4 units, total supplement in relation to the 4/7th of the total amount shown at posts 1(a) and 2(a) of our Schedule VII Section (ii) (same basis of prices):

10

410,000 Belgian Francs

Corresponding supplement for posts 3(a) and 4(a):

308,000 Belgian Francs

Your commission is therefore excluded from these amounts, together with the transport insurance from Charleroi to Antwerp.

SCHEDULE VIII - SECTION (iv)

20

SPECIFIED AND RECOMMENDED SPARES

We forward net FOB price, i.e. not including your commission:-

<u>Item</u>	<u>Designation</u>	<u>Price</u>
1)	1 complete rolling	
2)	(HT + BT)	2,000,000
3	2 posts H.T.	340,000
4	4 posts B.T.	18,000
5	1 set of joints	5,600
6	Nil	-
7	1 group moto-pump	23,600
8	1 tubular cluster	41,500
9	1 refrigerating element (Unity A - Unity B)	52,000
10	1 temperature indicator including:	
	- 1 T.R.O.	27,000
	- 1 Thermometer	6,200
11	6 sets of contacts	1,700
12	2 diaphragms	1,000
13	1 Pneumatic Chisel	11,500

30

40

TIG/MG.

13.12.54.

The Snowy Mountains Hydro-Electric Authority,  
P.O. Box 32,  
COOMA ... N.S.W.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Dear Sir,

SPECIFICATION No. 40006.  
SEVEN 56 MVA SINGLE PHASE TRANSFORMERS  
AND AUXILLIARY EQUIPMENT FOR T1 POWER  
STATION

Letter -  
Helios to  
S.M.H.E.A.

13th December,  
1954.

10 Fully in accordance with your general conditions and specification No. 40006, we have pleasure in tendering on behalf of ACEC, Charleroi, Belgium, for the manufacture, testing, supply and delivery to site, supervision of erecting and commissioning and maintenance of seven 56 MVA Single Phase transformers and auxiliary equipment for T.I. Power Station.

20 We are attaching to this letter ACEC's technical and general specification, volume 1 and 2 which have to be considered in conjunction with this covering letter and tender price Schedules.

GENERAL:

1. Tolerances on Dimensions.  
Our tolerances for dimensions are the maximum values.  
The tolerance for dimensions will be therefore: (+0% - 10% plus zero minus 10 per cent).
- 30 2. Robust design and construction.  
Please find enclosed the letter of the undersigned sent to you from Brussels on 2nd November, 54.
- 40 3. Freight without oil, maintenance guarantee, erection and drying out on site.  
Please refer to the relevant texts prepared to the same order of your specification item numbers. We wish to point out that because of the superior design and characteristics we have accepted a maintenance guarantee of 30 months compared with 12 months of your specification.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
Helios to  
S.M.H.E.A.

13th December,  
1954.

4. The FOB prices include the Commission of ACEC's local representative.

PRICES:

Item 1a, 7 transformers without oil.  
Unit price FOB Antwerp B.Fr. 4.357.883  
Total price FOB Antwerp Br.Fr. 30.504.866

In Australian Currency. Total.

FOB Antwerp	272.365	
Duty 12½%	34.045	
Transport in Australia	17.290	10
Marine Freight	20.503	
Insurance to site and storage	2.450	
Insurance during erection	700	

Total delivered to site	£A	347.353
-------------------------	----	---------

Item 1b, Oil for the above transformers.

Oil for one unit FOB Antwerp		
B.Fr.	137.616	
Oil for 8 units FOB Antwerp B.Fr.	1.100.928	

In Australian Currency. Total.

FOB Antwerp	9.829	20
Duty 12½%	1.228	
Transport in Australia (about 160 Tons)	4.330	
Marine Freight	6.576	
Insurance to site	154	
Insurance during erection	44	

Total for oil for 8 units delivered to site.	£A	22.16
---	----	-------

Item 2a, 7 transformers without oil.

Unit price FOB Antwerp B.Fr.	4.342.548	30
Total price FOB Antwerp Br.Fr.	30.397.837	

In Australian Currency. Totals.

FOB Antwerp	271.410	
Duty 12½%	33.926	
Transport in Australia	18.340	
Marine Freight	22.120	
Insurance to site	2.450	
Insurance for erection	700	

Total for 7 units delivered to site	£A	348,946	40
--	----	---------	----

	<u>Item 2b. Oil for the above units.</u>		Defendants
	FOB Antwerp per unit	199.771	(Appellants)
	FOB Antwerp per 8 units	1.598.168	<u>Exhibits</u>
	<u>In Australian Currency. Totals.</u>		Exhibit '4'
	FOB Antwerp	14.269	(continued)
	Duty 12½%	1.784	Letter -
	Transport in Australia	5.550	Helios to
	Marine Freight	8.320	S.M.H.E.A.
	Insurance to site	210	(continued)
10	Insurance during erection	60	
	Total delivered to site	£A 30.193	13th December,
			1954.
	<u>Item 3A. 7 Transformers without oil.</u>		
	Unit price FOB Antwerp B.Fr.	4.158.041	
	Total price FOB Antwerp B.Fr.	29.106.287	
	<u>In Australian Currency. Totals.</u>		
	FOB Antwerp	259.877	
	Duty 12½%	32.485	
	Transport in Australia	17.080	
	Marine Freight	19.376	
20	Insurance to site and storage	2.450	
	Insurance during erection	700	
	Total delivered to site	£A 331.968	
	<u>Item 3b. Oil for the above units.</u>		
	FOB price for oil per unit B.Fr.	137.616	
	Total FOB Antwerp price for		
	8 units B.Fr.	1.100.928	
	<u>In Australian Currency. Totals.</u>		
	FOB Antwerp	9.829	
	Duty 12½%	1.228	
	Transport in Australia	4.330	
	Marine Freight	6.576	
	Insurance to site and storage	154	
	Erection Insurance	44	
30	Total for oil for 8 units		
	delivered to site	£A 22.161	
	<u>Item 4a. 7 transformers without oil.</u>		
	Unit price FOB Antwerp B.Fr.	4.159.060	
	Total price FOB Antwerp B.Fr.	29.113.420	



	<u>In Australian Currency.</u>	<u>Totals.</u>	
Defendants (Appellants) <u>Exhibits</u>	FOB Antwerp	259.945	
	Duty 12½%	32.493	
	Transport in Australia	18.130	
Exhibit '4' (continued)	Marine Freight	20.496	
	Insurance to site and storage	2.450	
	Insurance during erection	700	
Letter - Helios to S.M.H.E.A. (continued)	Total for 7 units delivered to site		£A 334.214

13th December,  
1954.

<u>Item 4b. Oil for above units</u>		
Oil for one unit FOB Antwerp		
	B.Fr.	199.771
Oil for 8 units FOB Antwerp	B.Fr.	1.598.168

10

<u>In Australian Currency.</u>		
FOB Antwerp		14.269
Duty 12½%		1.784
Freight in Australia		5.550
Marine Freight		8.320
Insurance to site		210
Insurance during erection		60

20

Total for oil for 8 units delivered to site	£A 30.193
--	-----------

Analysis for Transport in Australia price/unit  
Item 1A.

Main package rail	1650
Separate packages rail	350
Customs Agency	160
Wharfage	50
Stacking	60
Supervision on loading on truck	100
Supervision during the whole transport	100
	£A2470

30

Total for Transport in Australia	£A 17290
----------------------------------	----------

Item 1B. Oil. (total)

23 ton oil x £20/ton = 460 x 8 = 3680.

	Total oil rail	£A	3680	
	Agency		100	
	Wharfage, etc.		150	
	Trans-shipment		300	
	Expenses		<u>100</u>	
	Transport of oil in Australia for 8 units	£A	<u>4330</u>	
	<u>Item 2a. transformers/unit.</u>			
	Railway main package		1800	
	Small packages		350	
10	Custom Agency		160	
	Wharfage & Stacking		110	
	Supervision during transport		<u>200</u>	
		£A	<u>2620</u>	
	Transport for 7 units in Australia.	£A.	<u>18340.</u>	
	<u>Item 2b. oil, Total.</u>			
	30 x 8 x 20	=	Total	4800
	Rail		4800	
	Customs Agency		150	
20	Trans-shipment		350	
	Wharfage, etc.		150	
	Expenses		<u>100</u>	
		£A	<u>5550</u>	
	<u>Item 3a. Transformers.</u>			
	Rail main package		1620	
	Small items rail		350	
	Agency (Customs)		160	
	Wharfage		50	
	Stacking		60	
30	Supervision		<u>200</u>	
		£A	<u>2440</u>	per unit
	Total for 7 units	£A	<u>17080</u>	

Item 3b  
As lb.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
Helios to  
S.M.H.E.A.  
(continued)

13th December,  
1954.

Defendants (Appellants)	<u>Item 4a. Transformers.</u>	
<u>Exhibits</u>	Rail main package	1770
	Small items rail	350
	Agency (Customs)	160
Exhibit '4'	Wharfage	50
(continued)	Stacking	60
	Supervision	<u>200</u>
Letter -	Total per/unit	£A 2590
Helios to		<u><u>          </u></u>
S.M.H.E.A.		
(continued)	Total for 7 units	£A 18130
		<u><u>          </u></u>

13th December,  
1954.

Item 4b.  
As 2b.

10

DELIVERY.

We have stated a more favourable delivery time than required in your Specification, please refer to the schedule.

PAYMENT:

We accept to comply with the requirements of your Specification.

We especially draw your attention that payments for Customs Duty and Transport in Australia will be paid by your Authority to Helios Co., upon presentation of original invoices and relevant Customs Entry.

If the Authority would accept the alternative where we are to undertake the erection, the price for erection will be paid upon completion of each erection.

20

PRICES VARIATION:

The basic FOB Antwerp price and the CIF Sydney expenses are in Belgian Francs.

Payments will be made in equivalent Australian Currency.

Prices are subject to rise and fall variation clauses for material, labour, freight insurance, Custom Duty and Exchange rates.

The rates upon which this tender has been established are the following:

30

In Belgium	{ Rolled mild steel Electrolytic copper Labour }	As per attached official statement of A.C.E.C.
------------	--	--

40

Exchange rate 112 B.Fr. = 1 £A.

Custom Duty rate; oil and transformer =  
12½% of FOB price.

Rail freight rate from  
Sydney to Cooma = £20.Ton.

Defendants  
(Appellants)  
Exhibits

If any of the above rates during delivery,  
payment date, entry to customs would change  
prices will be adjusted accordingly.

Exhibit '4'  
(continued)

COMMERCIAL CONDITIONS FOR CARTAGE FROM SYDNEY  
WHARF TO COOMA.

Letter -  
Helios to  
S.M.H.E.A.  
(continued)

10

The transformers will be unloaded at Sydney  
Wharf by means of the heavy titan floating  
crane.

13th December,  
1954.

Our price is based on the assumption that the  
transformers will be loaded on the railway  
truck without interruption., i.e. straight off  
the boat onto the waggon.

If during unloading the floating crane is to  
make a long journey, i.e. from Circular Quay  
to Darling Harbour, additional handling prices  
will be paid by the Authority.

20

Furthermore, the cartage in Australia's price  
is based on the assumption of the availability  
on requested dates of the Railway Truck.  
Additional handling expenses and wharfage  
storage charges due to the non-availability  
of the N.S.W. Railways Truck will be paid by  
the Authority.

30

The price for transport and trans-shipment in  
Australia as shown in the tender schedule  
include Customs Clearance charges, loading on  
truck charges, normal wharfage stacking expenses  
and the supervision expenses of our Company  
during unloading, transport until the site.  
IMPORTANT.

Due to the fact that we do not require the  
enlarged truck (9' 5") and that the transport  
will be made on the narrow original truck as  
specified in your Specification the Railway  
Department has suggested a cartage rate much  
inferior than quoted to other competitors using  
the wider truck.

40

The rates given for the cartage of the main  
transformer are 20 Pounds per ton.  
It appears so that the transport for the main  
package may be invoiced to £1700 assuming a  
load of 85 tons. We understand that the  
cartage to Cooma price quoted to other manu-  
facturers is minimum 2250 per main package.  
Please note that the marine freight of the oil  
has been calculated on the basis that the oil  
be shipped within the main transformer tank.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
Helios to  
S.M.H.E.A.  
(continued)

13th December,  
1954.

The cartage of oil on the NSW Truck are calculated on £20. per ton plus handling expenses. If the rates for cartage will be reduced by the Railways Department prices will be adjusted accordingly.

INSURANCE:

No war insurance is included in our prices. Our insurers are Lloyds of London and their rate for the Insurance to Site plus 12 months storage is 0.7%. The erection insurance is 0.2%, limit 2 months per unit (limit nine months in all).

The price for insurance for the transformers has been calculated for £50000/per unit.

10

MARINE FREIGHT RATES:

The marine freight rates are the official quotation received by our Shipping Company, Atramef.

The final price for shipping will be the official shipping invoice at rates of date of shipment plus heavy lift plus 6% for ACEC's office expenses.

20

PRICE VARIATION FORMULA:

Please find enclosed a statement of Fabrimetal including the current prices in Belgium. The variation formula DE950 is also included. Variations for material and labour will be calculated in accordance with that formula.

ERECTION:

Alternative 1. Supervision only.

We will send one chief erector from ACEC at rates stated in the Schedule.

30

To this Chief Fitter we will adjorn an Australian erection specialist with ACEC Factory experience at given rates.

The activities of these two engineers will be supervised FREE OF CHARGE, by our Resident Transformer Specialist from ACEC.

This specialist will visit regularly the site in order to co-ordinate the activities between your Authority and our Chief Fitters.

40

DRYING OUT ON SITE:

If the Authority desires to undertake the drying out the services of the above fitters will be given to you at rates indicated in the Schedule.

ERECTION:Alternative 2.

Complete execution by ourselves. We undertake to execute the complete erection and drying out with our Chief fitter from ACEC, Australian factory trained Fitter Engineer, ACEC's transformer Specialist and own personnel at a price of £A 1800 (four units).  
per unit £A 1700 (seven units).

10 In this case you have to supply cranes and lifting material, as well as crane drivers only.

Please study details of our text in the tender.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
Helios to  
S.M.H.E.A.  
(continued)

13th December,  
1954.

We hope that this tender will meet the requirements of your Authority and we assure you of our best attention at all times.

Yours faithfully,

(sgd) T.I. Guler  
T.I. GULER.

20 Encs.

TIG/TH/1616

27/1/55

The Chief Electrical Engineer,  
Snowy Mountains Hydro Electric Authority,  
85 O'Riordan Street,  
ALEXANDRIA.

Exhibit '4'  
(continued)

Letter -  
Helios to  
S.M.H.E.A.

ATTENTION MR. POMROY.

CONTRACT 40006  
56 MVA Transformers.

27th January,  
1955.

30 Confirming our phone conversation with Mr. Campbell and in reference with our letter of the 18/1/55, we wish to confirm that the expenses for the marine freight of the oil in 44 gallon tanks are not within the main tank, will offer to you considerable saving.

The total price for marine freight would be for eight units:-

Alternative with cable box	-	£A 2392
Alternative with open bushing	-	£A 2080

This calculation is based on a freight rate

Defendants  
(Appellants)  
Exhibits

of 195 shillings per ton (Stg.) as stated in our letter of the 18/1/55. Please note that the rates for shipping stated under (2) in our letter of the 18th are in Sterling currency.

Exhibit #4:  
(continued)

We understand that your Authority may be interested to purchase locally supplied oil.

Letter -  
Helios to  
S.M.H.E.A.  
(continued)

We have made enquiries with the Shell Co. and also with the H.C. Sleigh (Golden Fleece) Company.

27th January,  
1955.

Upon prevailing rates of 7/11½d for one gallon, we give you our tender price for the supply of oil from the two above companies. We understand that prices may be reduced very soon by 3d. per gallon.

10

We will reimburse your Authority the money due to return of containers to the oil suppliers. The cartage of the empty oil containers from the site to the supplier's store at Cooma will be carried out by yourselves.

<u>OIL FOR TRANSFORMERS</u>	<u>Shell</u>	<u>H.C.Sleigh</u>	20
Item 1B - with open bushing 4450 gallons x 8 equals 35600	14165	14165	
Item 2B - with cable box 6500 gallons x 8 equals 54000	20692	20692	

The payment for the oil supplied locally will be in accordance with your specification.

Thanking you, we are,

Yours faithfully,

30

T.I. GUIER.

P.S. Any variations of the rate will be adjusted accordingly.

TRANSLATION

H E L I O S

Defendants  
(Appellants)  
Exhibits

TIG

VEX/OIP  
GY

3/2/1955

Exhibit '4'  
(continued)Mr. E. Guillery,  
A.C.E.C.,  
Charleroi,  
Belgium.Translation  
Letter -  
Helios to  
A.C.E.C.

Dear Mr. Guillery,

3rd February,  
1955.

10

Helios' Statement of Account.

I set out hereunder the financial position between Helios and A.C.E.C. as at 30.1.55, and would be pleased to have your comments.

.....

The final position is therefore:

Helios: Debit BF. 275,705    Credit: BF.357,850

I will be forwarding you the debit amount from Australia in 1 to 3 months.

20

Invoices made out subsequent to 7.8.54 will be paid by draft. On the 28.1.55 I have remitted you BF.455,925 in payment of Invoices 95 - 478 - 83 - 88 - 97 - 95 - 84 - 86. Later invoices will be paid on the due date of the drafts.

30

I have to inform you, however, that the majority of clients, such as E.C.N.S.W., S.E.C. of Victoria, Toowomba and other country towns do not pay immediately. Since these clients are government departments they take the liberty of delaying payments as much as 4-6 weeks. As a result, I have to advance them customs duty, delivery charges and also pay A.C.E.C. drafts. To date I have been able to meet these commitments from my own financial resources. However, the volume of orders for small material has increased rapidly and I may find myself in financial difficulty if I have to go on paying customs duty and A.C.E.C. drafts without receiving payment from the Client.

40

I think it is necessary that you establish with the A.N.Z. Bank a credit for £A.3 - 4,000, to



Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Translation  
Letter -  
Helios to  
A.C.E.C.  
(continued)

3rd February,  
1955.

be known as Helios Trust Account, from which I will be able to draw to set off advances I have made to clients by way of customs duty and drafts paid. On being paid by the clients I will reimburse the trust account with the respective amounts. All bank interests in respect of amounts drawn to set off invoices not paid by clients will of course be to my account.

I would be much obliged if you would kindly establish this credit immediately by cable as I have to clear and pay customs duty on a considerable number of type ASV97 lightning arresters, AMO pumps and other lightning arresters.

10

I look forward to hearing from you.

Yours faithfully,

T.I. GULER.

Exhibit '4'  
(continued)

Letter -  
A.C.E.C. to  
Helios

5th February,  
1955.

A. C. E. C.

ATELIERS DE CONSTRUCTIONS ELECTRIQUES  
DE CHARLEROI

CHARLEROI

20

Monsieur T.I. Guler,  
Directeur Helios  
G.P.I. Box 4517  
Sydney / Australie.

Notre Reference:  
NU/TF n° 17/115.  
HC/LB 10 E 57.

Charleroi, Le:  
5 fevrier 1955.

Mon cher Tom,

"Monsieur, je vous felicite!". Vous avez auccouche de 10 super-bebes de 5 MVA et avez droit a nos compliments, Attention toutefois, l'essai au choc des entroulements se fera a 350 KV et non 470 comme dans votre devis. Bravo aussi pour votre nouvelle conquete a Perth.

30

Nous avons bien recu les bornes HT et BT pour les specifications 651 et 652 des commandes 3461-C et 3488-C.

Cependant, nous vous informons que les 2 porcelaines de la borne HT nous sont arrivees cassees. Toutefois, elles peuvent encore nous permettre de relever les dimensions et il n'est pas necessaire d'en envoyer d'autres. Nous comprenons que nous ne devons pas vous renvoyer ces bornes apres les avoir utilisees. Quant a la borne en laiton de la maquette pour Snowy, elle reste a votre disposition.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
A.C.E.C. to  
Helios  
(continued)

10 Nous vous envoyons par courrier separe:

- a) 5 exemplaires de nos remarques au sujet du cahier des charges pour les paragoudres de la sous-station a 330 KV de Snowy Mountain. Deux de ces exemplaires sont pour votre documentation et 3 pour Snowy Mountain.
- b) 15 exemplaires de la brochure : "A pressure relief device four our ASV station type lightning arresters".

5th February,  
1955.

20 Nous souhaiterions que vous fassiez parvenir deux de ces brochures a chacune des societes suivantes : ECNSW - VICTORIA - ETSA - EC of WA.

Dans quelques jours, il vous sera envoye un petit rapport donnant les avantages du transformateur Shell-Type su le transformateur Core Type.

30 Il m'interesse beaucoup de savoir notre position a VICTORIA (transformateurs 220 KV), a NSW (2 transformateurs 8/10 NVA, batterie de condensateur 3 MVAR).

J'admire la facon dont vous suivez le probleme des 7 transformateurs 56 MVA de Snowy et je vous prie, cher Tom, de recevoir mes sentiments les plus cordiaux.

H.B. CHEVALLIER.

Director aux A.C.E.C.

-----

Defendants  
(Appellants)  
Exhibits

A.C.E.C.  
Charleroi.

Exhibit '4'  
(continued)  
Translation  
Letter -  
A.C.E.C. to  
Helios.

Mr. T.I. Guler  
Director Helios  
G.P.O. Box 4517  
SYDNEY, AUST.

5th February, 1955.

My dear Tom,

5th February,  
1955.

"Sir, I congratulate you!" You have delivered 10 super babies of 5 MVA and you are due for our congratulations. However, the shock trial of the rollers will be done at 350 KV and not at 470 as in your plan. Well done also for your new conquest at Perth.

10

We have received the pillars HT and BT for specifications 651 and 652 of the orders 3461-C and 3488-C.

However, we inform you that the 2 porcelains of the pillar HT have arrived broken. Anyway it can still allow us to draw up the dimensions and it is not necessary to send others. We understand that you will not need to return to us the pillars after they have been used. As far as the brass pillars from the model of the Snowy, it remains at your disposal.

20

We send you by separate mail:

- a) 5 copies of our remarks on the subject of the specifications for the earthwire of the sub-station at 330 KV of Snowy Mountain. Two of these copies are for your documentation and three for the Snowy Mountain.
- b) 15 copies of the brochure: "A pressure relief device for our ASV station type lightning arresters."

30

We wish you to send two of these brochures to each of the following societies: ECNSW - VICTORIA - ETSA - EC of WA.

In a few days a brief report will be sent to you giving the advantages of transformer shell-type over the transformer core-type.

It interests me greatly to know your position in Victoria (transformers 220 KV), in N.S.W. (2 transformers 8/10 NVA condenser battery 3 MVAR).

40

I admire the manner in which you follow the

problem of 7 transformers 56 MVA of the Snowy and I beg you, dear Tom, to receive my most cordial sentiments.

H.B. CHEVALIER,  
Director of ACEC.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)  
Translation  
Letter -  
A.C.E.C. to  
Helios.  
(continued)

5th February,  
1955.

TIG/TH/1864

7th March, 1955.

Exhibit '4'  
(continued)

The Chief Electrical Engineer,  
Snowy Mountains Hydro Electric Authority,  
85 O'Riordan Street,  
ALEXANDRIA.

Letter -  
Helios to  
S.M.H.E.A.

Dear Sir:

7th March,  
1955.

Contract 40006  
56 MVA TRANSFORMERS FOR T.1.

Further to latest discussions with your officers, we summarise below all contractual variations from and amendments to, the tender of the 13/12/54, as contained in letters submitted to your Authority.

(1) Letter 1372 of the 24/12/54.

20 We have been advised by the Customs Office that transformer oils are imported duty free to this Country. A reduction of Customs Duty would reduce our tender prices by the following amounts:

Item 1B	-	£A 1288
Item 2B	-	£A 1784
Item 3B	-	£A 1288
Item 4B	-	£A 1784

(2) Letter TIG/JT/1506 of the 18/1/55.

30 Marine freight rate of oil in 44 gallon drums.  
The oil for the eighth transformer will be

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
Helios to  
S.M.H.E.A.  
(continued)

7th March,  
1955.

shipped in 44 gallon drums, each weighing gross  
...502 lbs.

The freight rate is 195sh/ton. Estimated total  
price for oil for the eighth transformer would  
be:

Item 1B	4450 gallons net	- tons gross	£A 244
Item 11B	6500 " "	" "	£A 329

- (3) The official marine freight and heavy lift  
rates stated in the tender are (Sterling  
currency)

10

Basic rate	- 195 sh/ton
Heavy lift 80 tons	- 512 sh/80 tons
Heavy lift 100 tons	- 550 sh/100 tons.

- (4) The unloading charges from ship by means of  
the Titan crane are included in the marine  
freight price. If the ships berth at Woolloo-  
mooloo on the west side of the bridge, a  
tugging and handling expense of £150 will be  
charged for tugging to Darling Harbour.

If the ship would land on the east side of the  
bridge no tugging expenses will be charged.

20

- (5) The additional six per cent of the marine  
freight expenses, covering A.C.E.C's office  
expenses, which are included in Schedule VII  
(ii) item IV, is fixed on the original tender  
price and will not be subject to variations.

- (6) Transport in Australia. The rail transport  
rate of £A20 from Sydney to Cooma, indicated  
under Schedule VII section (ii) page A45, is  
the rate officially quoted by the Railways.  
The Authority's payment will be adjusted  
according to variation of this rate.

30

- (7) Transformer oil supplied in Australia. We are  
prepared to supply transformer oil to Bss 148-  
1951 (Shell - Golden Fleece-Vacuum) F.O.R.  
Cooma, whose present rates are 7/11½d gallon  
delivered F.O.R. Cooma.

Any variations of this rate will be for the  
account of the Authority.

We will reimburse to the Authority, the monies  
due to return of containers to the oil suppliers.

40

The mpty containers will be handled and transported from site to the oil suppliers' Store on rail, by yourselves.

Defendants  
(Appellants)  
Exhibits

The payment for the oil supplied locally will be in accordance with your Specification.

Exhibit '4'  
(continued)

Estimated total prices for oil for the eight transformers would be:

Letter -  
Helios to  
S.M.H.E.A.  
(continued)

		<u>Price</u>
10	Item 1B with open bushing 4450 gals x 8 = 35600 gals.	£A 14165
	Item 11B with cable box 6500 gals x 8 = 52000 gals.	£A 20692

7th March,  
1955.

(8) Condition of Sale 950. This letter confirms the cancellation of Condition of Sale De950 of A.C.E.C. Our offer will be subject to following conditions:

a) We will apply for Import Licences and your Authority will support us during negotiations with the Department of Trade and Customs.

20 b) Basis of establishing of prices.

The prices shown in our tender are based upon the rates of labour and materials as stated in our tender.

Our prices are assumed to be composed in the following proportions:

30% depending on the cost of steel.  
20% depending on the cost of copper.  
50% depending on the cost of labour.

30 The formula for calculating variations in respect of changes in rates of pay and costs of material is:

$$P^1 = P^0 \left( 0.30 \frac{S^1}{S^0} + 0.20 \frac{Cu^1}{Cu^0} + 0.50 \frac{W^1}{W^0} \right)$$

For the purpose of this formula

$P^1$  is the readjusted price

$P^0$  is the contract price

$S^0$ ,  $Cu^0$  and  $W^0$  are respectively the rolled mild

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
Helios to  
S.M.H.E.A.  
(continued)

7th March,  
1955.

steel, the electrolytic copper wire bar and pay rates on which the contract price has been based.

S<sup>1</sup>, Cu<sup>1</sup> and W<sup>1</sup> are the same corresponding rates resulting from the following arrangement.

For materials. The price adjustment will be applied according to the rates S and Cu and they are the rates as stated in the letter of FABRIMETAL of the 25/11/54 viz:

Rolled mild steel	4.275 BF/ton.	
Electro. copper in wire bars	35000 BF/ton	10
Hourly wages	17.07 BF/hour.	

S<sup>1</sup> and Cu<sup>1</sup> will be adjusted rates ruling on the date of commencement of manufacture of each transformer, as set up in the Works Planning Schedule submitted in our tender, or any variations of delivery periods agreed by the Authority.

For Labour. For the purpose of simplification, it is assumed that labour is extended uniformly during the period of manufacture, which is taken to be the latter half of the period between the date of order and the date of actual delivery.

The Price Adjustment will be a function of the wage variations. It will be applied in proportion to that fraction of the period of manufacture yet to run from the coming into force of such variations.

REMARK: Should the readjusted price not differ from the contract price, by more than 2%, no price adjustment would then be considered and the contract price would be invoiced.

(9) We are in agreement that the payment will be executed in accordance with your Specification 40006. This statement deleted our relevant statement in the payment clause (Page 4 last paragraph on the bottom of the page) of our tender of the 13th December, 1954.

(10) Impulse Tests. As we normally impulse test as a routine and quality control test, we do not charge for this test.

However, if we have to repeat this test in the presence of your Engineers, the Authority will

10

20

30

40

be invoiced the price of £A 225 per unit.

In order to facilitate the budgeting estimates of your Authority, payments can be analysed as under:

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
Helios to  
S.M.H.E.A.  
(continued)

7th March,  
1955.

	<u>MONTHS</u>	<u>DATE</u>	<u>F.O.B.</u>	<u>O.I.F.</u> <u>EXP</u>	<u>DUTY</u> <u>EXPENSES</u>
10	Units 1-4	24	15/3/57	80%	-
		25	15/4/57	-	100%
		26	15/5/57	-	-
	Oil	27	15/6/57	-	95%
		28	15/7/57	15%	-
		40	15/7/58	5%	-
	Oil	38	15/7/58	-	5%
<hr/>					
20	Units 5-7	36	15/3/58	80%	-
		37	15/4/58	-	100%
		38	15/5/58	-	-
	Oil	39	15/6/58	-	95%
		40	15/7/58	15%	-
		50	15/9/58	5%	-
	Oil	52	15/9/58	-	5%

	<u>PAYMENTS DUE.</u>	<u>Item B1.</u>	<u>Item B2.</u>	
30	<u>1-4 Units.</u>			
	15/3/57	118800	118843	
	15/4/57	12472	13116	
	15/5/57	28724	29330	
	15/6/57 Oil	6726	9827	
	15/7/57	22275	22283	
	15/8/58	7425	7427	
	15/8/58 Oil	354	517	
	Oil seventh unit	1770	2586	
	<hr/>			
		<u>5-7 Units.</u>		
		15/3/58	89100	89126
		15/4/58	9354	9837
	15/5/58	21543	21999	
	15/6/58 Oil	5045	7370	
	15/7/58	16706	16711	
	15/9/58	5568	5570	
	15/9/58	265	388	

40 We hope that this letter will clarify all pending questions, and we await anxiously the decision of your Authority regarding



Defendants  
(Appellants)  
Exhibits

the successful tenderer.

Assuring you of our best attention at all  
times, we are,

Exhibit '4'  
(continued)

Yours faithfully,

Letter -  
Helios to  
S.M.H.E.A.  
(continued)

T.I. GULER.

7th March,  
1955.

Exhibit '4'  
(continued)

TIG/JT/2001

VEX/OIP

21st March, 1955.

Letter -  
Helios to  
A.C.E.C.  
confirming  
Cable

A.C.E.C.,  
Charleroi,  
BELGIUM.

Dear Sir,

10

21st March,  
1955.

We wish to confirm our cable of 21st March,  
1955:-

VENTACEC CHARLEROI BELGIUM  
CHEVALIER CABLE FOLLOWING STATEMENT FULL RATE STOP  
FORMALITY NECESSITATES SUBMISSION FULL CREDENTIAL  
WITH FEDERAL GOVERNMENT RE SNOWY TENDER STOP THE  
COMMISSIONER SNOWY MHEA WE ACEC CONFIRM THAT HELIOS  
HEAVY ELECTRICAL ENGINEERING CONTRACTING CO OWNED  
BY MR. GULER ARE OUR GENERAL AGENTS FOR AUSTRALIA  
AND THEY HAVE THE ATTORNEY TO ACT ON OUR BEHALF FOR  
SUBMISSION EXECUTION AND REALISING CONTRACTS MADE  
OR SUBCONTRACTED BY OURSELVES WITH OUR FULL  
TECHNICAL AND FINANCIAL BACKING STOP SEND ALSO  
URGENTLY SIMILAR WRITTEN STATEMENT ISTURK.

20

Yours faithfully,

T.I. GULER.

TELEGRAMME

The Commissioner,                      Envoi: URGENT/ORD/LT  
 Snowy Mountains Hydro Electric Authority,  
 G.P.O. Box 4900  
SYDNEY (Australia)

Defendants  
 (Appellants)  
Exhibits

Exhibit '4'  
 (continued)

M E S S A G E

Adresse telegraphique: THE COMMISSIONER SNOWY  
 ELECTRIC SYDNEY

Cable - A.C.E.C  
 to S.M.H.E.A.

21st March,  
 1955.

10

Texte: WE ACEC CONFIRM THAT HELIOS HEAVY ELECTRICAL  
 ENGINEERING CONTRACTING CO OWNED BY MR.GUIER  
 OUR GENERAL AGENT FOR AUSTRALIA HAVE THE  
 ATTORNEY TO ACT ON OUR BEHALF FOR SUBMISSION  
 EXECUTION AND REALIZING OF CONTRACTS MADE OR  
 SUBCONTRACTED BY OURSELVES WITH OUR FULL  
 TECHNICAL AND FINANCIAL BACKING OIPI  
 VENTACEC

Redige par: M. Baudhuin  
 Service        VEX-OIP/D

Date: 22/3.1955  
 Dossier 520 119

20

CD/GY/D.TF/Helios  
 BH

BY AIRMAIL

Exhibit '4':  
 (continued)

THE COMMISSIONER  
 SNOWY MOUNTAINS HYDRO  
 ELECTRIC AUTHORITY  
 G.P.O. Box 4900  
SYDNEY N.S.W.Australie

Letter -  
 A.C.E.C. to  
 S.M.H.E.A.

541368  
 VEX/OIP 520 119

22nd March,  
 1955.

Sir,

30

Further to the telegram we sent you on  
 the 21st instant, we wish to confirm that Messrs.  
 HELIOS HEAVY ELECTRICAL ENGINEERING CONTRACTING  
 CO. City House, 164 Pitt Street, Sydney, owned by  
 Mr. T.I. Guler, are our General Agents for  
 Australia and that they have the power of attorney  
 to act on our behalf for the submission, the  
 execution and the realization of contracts made  
 or subcontracted by ourselves with our full  
 technical and financial backing.

Yours faithfully,

EXPORT ZONE MANAGER

EXPORT DIVISION MANAGER.

Defendants  
(Appellants)  
Exhibits

Sydney, le 26/4/1955.

Monsieur NEIRYNCK V.D.G.

Exhibit '4'  
(continued)

Monsieur KOTTGEN VEX/D

concerne : AUSTRALIE. SIGNATURE DES CONTRATS

Memorandum  
Guillery to  
Neirynek and  
Kottgen

26th April,  
1955.

La signature des contrats pour la fourniture des transformateurs dont les ACEC ont obtenu recemment la commande par l'entremise de leur agent en Australie, la firme HELIOS, necessite un va et vient entre Sydney et Charleroi, de documents volumineux et pondereux. Les formalites de signature a Bruxelles, devant le Consul de Grande Bretagne sont compliquees et donnent lieu a des erreurs comme ce fut le cas pour le contrat 295 sur lequel, le Consul nous ayant mal informes, Mr. Donnay de Casteau et moi avons signe a un endroit errone. Ce contrat est a signer de nouveau. La valeur des timbres est perdue etc..etc..

10

Il serait beaucoup plus simple et d'ailleurs les Autorites viennent de la demander, que les A.C.E.C. autorisent (dans chaque cas particulier, c'est-a-dire pour des contrats determines) Mr. GULER a signer pour eux.

20

A cette fin, il faudrait que les ACEC adressent a l'Electricity Commission of New South Wales" (1) une lettre dans laquelle ils dirent le texte approximatif telephone par le contentieux de l'E.C.N.S.W.):

" We hereby issue a power of attorney on behalf  
"of Messrs. HELIOS HEAVY ELECTRICAL ENGINEERING  
"CONTRACTING Co owned by T.I. GULER, to act on our  
"behalf for the supply and carry out of equipment  
"and works.  
"to receive payments in discharge on debts due by  
"the Commission to enter into agreement and to vary  
"or modify conditions ".

30

Ces pouvoirs doivent etre delivres selon les dispositions legales en vigueur en Belgique et signes en presence du Consul Britannique qui legalisera ce document en accord avec les lois australiennes.

Ces pouvoirs etant evidentement trop vastes, il appartient aux A.C.E.C. de les restreindre par tel

40

(1) Seule en cause actuellement.

document qu'ils jugeront convenable a echanger avec Mr. GULER en les limitant, en particulier aux cas specifiquement determines des contrats deja obtenus. Pour les cas futurs, Mr. GULER aura a solliciter chaque fois des A.C.E.C. l'autorisation de faire usage de ses pouvoirs.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

10 Pour le moment, il ne s'agit que des contrats relatifs aux affaires ci-apres :  
295 (Signature de M. DONNAY de CASTEAU et de moi-meme nulles et non avenues)  
319-209-382 que MR. GULER devrait etre autorise a signer sans retard.

Memorandum  
Guillery to  
Neiryneck and  
Kottgen  
(continued)

26th April,  
1955.

Un point qui doit etre bien specifie dans l'arrangement a intervenir entre les A.C.E.C. et Mr. GULER, c'est qu'il ne pourra signer que des contrats dont nous aurons eu au prealable connaissance ou bien dont il nous donnera l'assurance qu'ils ne s'ecartent pas de ce qui a ete effert par Charleroi.

Je vous serais reconnaissant de bien vouloir considerer la presente question comme extremement urgente.

Rmtd,

(s) J. GUILLERY.

---

Defendants  
(Appellants)  
Exhibits

TRANSLATION.

Sydney 26/4/55

Exhibit '4'  
(continued)

Mr. NEIRYNCK V.D.C.  
Mr. KOTTGEN VEX/D

RE: AUSTRALIA - EXECUTION OF CONTRACTS

Translation  
Memorandum  
Guillery to  
Neiryneck &  
Kottgen

26th April,  
1955.

The execution of contracts in respect of transformers for which A.C.E.C. have recently obtained orders through their Australian Agent, the firm of HELIOS, necessitates the frequent exchange between Sydney and Charleroi of voluminous and ponderous documents. The formalities for the signing at Brussels in the presence of the British Consul are complicated and give rise to errors as was the case with contract 295 when Mr. Donnay de Casteau and I signed in the wrong place on the Consul's advice. This contract should be executed again. The value of duty stamps is lost etc.....

10

It would simplify matters considerably, and besides the Authorities now require it, if A.C.E.C. authorised Guler to sign on its behalf (in each specific case, that is for given contracts).

20

To this end, it would be necessary for A.C.E.C. to address to the Electricity Commission of N.S.W. (1) a letter along the lines of the following text dictated over the 'phone by the Commission's Solicitor:

" We hereby issue a power of attorney on behalf  
" of Messrs. HELIOS HEAVY ELECTRICAL ENGINEERING  
" CONTRACTING CO. owned by T.I. GULER, to act on  
" our behalf for the supply and carry out of equip-  
" ment and works.  
" to receive payments in discharge of debts due  
" by the Commission, to enter into agreement and  
" to vary or modify conditions."

30

This power of attorney would have to comply with the Belgian law and be executed in the presence of the British Consul who will certify the document in accordance with Australian law.

Since these powers are obviously too wide, it is A.C.E.C.'s duty to restrict them as it shall see fit and to limit Mr. GULER's authority to past contracts. For future contracts, Mr. GULER would have to seek A.C.E.C.'s authority in each case.

40

(1) the only case in point

At the moment, the only contracts in question relate to the following matters :

295 (Signatures of Mr. DONNAY DE CASTEAU and myself are null and void).

319 - 209 - 382 which Mr. GUIER should be authorised to execute without delay.

One point which should be made clear in the arrangement between A.C.E.C. and Mr. GUIER is that he will be able to sign only those contracts of which we would have had previous knowledge or in respect of which he would give us his assurance that he would not depart from what has been offered by Charleroi.

I would be obliged if you would kindly consider this matter as most urgent.

Yours .....

(Sgd.) J. GUILLERY.

---

H E L I O S

TIG/TH/2275  
VEX/OIP/BD

City House,  
164 Pitt Street,  
SYDNEY

Mr. Chevalier,  
Manager Transformer Division,  
A.C.E.C.,  
Charleroi,  
BELGIUM.

11th May, 1955

Dear Mr. Chevalier:

SNOWY 40006, 330 kV TRANSFORMERS.

I confirm my telegrams and thank you for your kind reply. I would be pleased if you would be so kind to transmit to your Staff and all people of A.C.E.C. concerned, who have helped me to bring to you, and what I can call, the biggest achievement of the Belgian Electrical Industry ever.

It is my duty to thank especially Mr. Haesaerts, who has virtually created my activity in Australia and your goodself, whose guidance and foresight has only made possible this happy event.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Translation  
Memorandum  
Guillery to  
Neiryneck &  
Kottgen  
(continued)

26th April,  
1955.

Exhibit '4'  
(continued)

Letter -  
Helios to  
A.C.E.C.

11th May,  
1955.

Defendants  
(Appellants)  
Exhibits

Furthermore, it was most important that Mr. Chainaye accepted our proposal to adjust the price, for which I can only express sincere gratitude.

Exhibit '4'  
(continued)

You may appreciate that I gave important promises to the Government, regarding the good execution of this contract and also first class equipment.

Letter -  
Helios to  
A.C.E.C.  
(continued)

This contract puts us under very high moral obligations to those who trust us and to a Government who has placed the fate of its largest national project ever, in the hands of A.C.E.C. and Helios.

10

11th May,  
1955.

I am sure that you are convinced of the seriousness of this trust and that you will not hesitate to put all your efforts to either sink the international prestige and standing, or to lift up above the clouds of the Belgian industry and A.C.E.C.

If we achieve this contract successfully, we will have something in hand to be proud of, or otherwise we will never clean off a bad stain.

20

We were the fifth in price - MARELLI - AEG - BTH (Ferranti) - ELIN - A.C.E.C. - ASEA.

On capitalised costs there was a very weak lead in our favour, due to our losses.

Mr. Callinan told me that it would never speak the name of A.C.E.C. if our losses would exceed our guaranteed losses. He sincerely told me that he may face the utmost criticism from other manufacturers having strong political influence in this country if we would fail to maintain the small margin due to losses exceeding our guarantee.

30

I personally advise very seriously, that you do not make use of the plus tolerance at all. This point was also confirmed by Mr. Frost, as otherwise we would never have a chance for future contracts with the Snowy.

I had to adjust the variation formula, similar to the BEMA. My attached letters 1864 and 1925 - I suppose that I did not act incorrectly and I will not face criticism from yourselves.

40

Regarding technical points, we have received the order for 10% reactance units with cable box

entry. The cable will enter the tank from upstairs, in accordance with your first offer. This will result in us maintaining the second top cover on the transformer bill.

Defendants  
(Appellants)  
Exhibits

Mr. Diesendorf thinks that a 5 feet through type bushing can be impulse tested under oil, due to its small size.

Exhibit '4'  
(continued)

Letter -  
Helios to  
A.C.E.C.  
(continued)

11th May,  
1955.

I request kindly from you, in the shortest possible time, a study regarding the 2'6" through type bushing. All other competitors have offered through type bushings of 5 feet on each side.

10

Will you do me a favour and fix me on this point in the form of an official letter to the Snowy.

A special request has been extended to you, that you please design a nice cable box and do your best possible to avoid troubles on this point. The cable maker is not known as yet, and it will not be known for at least 4 months. This is why I have asked your immediate attention for the through type bushing.

20

Studying your offer under test (Schedule VI Page 1) Item 5b., I think that the 1500 kV test with oil is not easy to carry out on an external bushing, having a size of 10 feet... IMPORTANT - URGENT - cable whether will be able to impulse test the through type bushing of 2'6" on each side.

Page 2 Item 6 Routine Tests.

1. Earth testing between coils, for induced and applied voltages, is usually one minute. Your offer states one second. I corrected accordingly. Sorry that it slipped your perusal and hope that I am right.

30

2. Tests between Turns.

I do not think that this is the correct definition. I would rather say, Overvoltage Test, which is also 5 minutes and not five seconds as stated in your specification. I have also made the necessary correction. Will you cable me that I did the right thing?

40

There is a strong probability that the



Defendants  
(Appellants)  
Exhibits

transformers will be purchased without oil, and it is advisable for you not to order oil at this stage.

Exhibit '4'  
(continued)

I will send a full technical report on this contract, and a copy of the acceptance letter, within 10 days.

Letter -  
Helios to  
A.C.E.C.  
(continued)

The official beginning date of contract is to be fixed for the 20th May 1955, and it is a necessity that A.C.E.C. goes ahead full steam, for the realization of this contract.

11th May,  
1955.

Congratulating you, and hoping to have good luck and God's help in the realization of this contract, I beg to remain,

10

Yours sincerely,

(sgd) T.I. Guler  
T.I.GUIER.

Exhibit '4'  
(continued)

A. C. E. C.

MI-2/AA  
GY

BY AIRMAIL

Letter -  
A.C.E.C. to  
Helios

H E L I O S  
G.P.O. Box 4517  
SYDNEY (Australie)

20

12th May,  
1955.

VEX/OIP/520 119  
546745

Charleroi, Le  
May 12th, 1955

RE: SNOWY MOUNTAINS - 330 kV TRANSFORMERS.

Dear Sirs,

We first want to congratulate very much on your splendid success for this tremendous matter.

Full consideration to this new order is being given and we should very much appreciate your forwarding us another copy of the specification No. 40 006.

30

Thanking you for your cooperation and assuring you of our best consideration, we remain,  
Dear Sirs,

Yours faithfully,

(Sgd)  
ENGINEER.

(Sgd)  
CHIEF ENGINEER.

621.

A. C. E. C.

CD/GY/DC.TF/192211  
MI/2/Bru

BY AIRMAIL

H E L I O S  
G.P.O. Box 4517,  
SYDNEY (Australie)

VEX/OIP/520 119  
548134

Charleroi, Le:  
25th May, 1955.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
A.C.E.C. to  
Helios

25th May,  
1955.

10

re: CONTRACT 40 006  
SNOWY MOUNTAINS HYDRO ELECTRIC  
AUTHORITY Seven - 56 MVA  
TRANSFORMERS.

Dear Sirs,

With reference to your letter dated 11th  
May 1955, we beg to confirm our cable sent to you  
on the 21st instant:

20

"YOLET 2275 SNOWY 40006 CAN PERFORM 1500 kV  
"IMPULSE TEST THROUGH BUSHING stop CORRECTIONS  
"SCHEDULE VI PAGE 2 ITEM 6 OK stop TRANSFORMER  
"IMPREGNATION REQUIRES SAME OIL AS FILLING SUGGEST  
"OIL PURCHASED ENGLAND ENABLING SHIPMENT OILFILLED  
"TRANSFORMERS stop HIGHLY REGRETFUL CANNOT START  
"WITH CABLEMAKER SINCE MIXED DESIGNED CABLE BOX  
"stop OUTEL 16TH DRAWINGS MAILED NAMELY SOLUTION  
"WITH CONSERVATOR LENGTHWISE ABOVE RADIATORS  
"ACCORDING 4 409 263 ie OVERALL LENGTH 18 FEET 5  
"INCHES WIDTH 15 FEET 5 INCHES HEIGHT 21 FEET 4  
"INCHES UNTANKING 36 FEET TOLERANCE 10 PERCENT  
"OIP44 "

30

In connection with the above cable reply,  
we desire to add the following remarks :

1) We shall be able to perform the under  
oil impulse test on the through type bushing. As  
soon as possible, our design office will proceed  
with the study of the through bushing and of the  
disconnecting chamber. We are getting in touch  
with our bushing supplier in order to discuss and  
to settle the testing and sizing problems.

40

A full report on these questions will be  
officially addressed to S.M.H.E.A. at a later  
period. We can only regret that we are unable to  
approach the cablemaker with a view to study the  
design of the H.V. cable box. This important part

Defendants  
(Appellants)  
Exhibits

of the transformer is necessarily of a mixed nature depending both on our own concept of the box and on that of the cable maker with regard to the 330 kV cable terminal.

Exhibit '4'  
(continued)

Letter -  
A.C.E.C. to  
Helios  
(continued)

25th May,  
1955.

2) Concerning the oil, we strongly insist on the necessity to have the transformer filled with the same oil as that used for the impregnation. Therefore, we desire to ship the units filled with oil. If the oil is not to be provided by A.C.E.C., we suggest that the Authority purchases same from England from where it could be sent to us in order to fill the transformers prior to their shipment.

10

3) The corrections made by you in Schedule VI of our tender are right and we desire to express our thanks for your keen intervention in this regard.

Reverting to the last part of our above referred cable, we now hope that the matter will be clear to you and that the customer will agree to accept our following overall dimensions (see drawing 4 409 263 mailed to you on the 21st instant):

20

Length	: 18 Feet 5 inches	} Tolerance 10%
Width	: 15 feet 5 inches	
Height	: 21 feet 4 inches	
Untanking	: 36 feet	

The above dimensions are corresponding to the transformer with the conservator mounted lengthwise above the radiators.

Awaiting your comments, as to these points, we remain, Dear Sirs,

30

Yours faithfully,

ENGINEER.

EXPORT ZONE MANAGER.



TIG/TH/2439  
4/40006

VEX/OIP/PM

6th June, 1955.

Defendants  
(Appellants)  
Exhibits

A.C.E.C.,  
Charleroi,  
BELGIUM.

Exhibit '4'  
(continued)

Dear Sirs:

Letter -  
A.C.E.C. to  
Helios

SPECIFICATION 40006  
330kV TRANSFORMERS.

6th June,  
1955.

10 The customer has agreed that the conser-  
vator tank would be fastened on brackets to be  
fixed on the walls between tanks.

Therefore, you will manufacture seven  
transformers with LT bushings on the middle of  
the tank.

Regarding the cable box, you will now  
manufacture a cable box without inclined  
disconnecting chamber. The joint should be on  
a horizontal cut of the cable box.

20 The cable box has to be adjustable for 1-2 inches  
plus.

Please confirm your agreement. Thanking  
you, we remain,

Yours faithfully,

T.I. GULIER.

BC.TF  
MI.2.MLA /BM

AIR MAIL

Exhibit '4'  
(continued)

549567

S.A. H E L I O S  
G.P.O. Box 4517  
SYDNEY (Australie)

Letter -  
A.C.E.C. to  
Helios

30

VEX/OIP/92 259

June 9, 1955.

9th June,  
1955.

RE: SNOWY MOUNTAIN 7 x 56 MVA TRANSFORMERS -  
CONTRACT 40006.

Dear Sirs,

We wish to let you know our comments on a

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
A.C.E.C. to  
Helios  
(continued)

9th June,  
1955.

few questions raised in connection with this contract.

1) Valves.

According to clause 12/9/54, we understand that no special requirement is made for the connecting end of the valves.

Due to this fact and for our own facility, we decided that all the valves will be supplied with male connecting end, i.e. for filtration, purification and emptying purpose, except the valve between the Buchholz and the conservator. 10

2) Temperature device.

Reverting to our tender, we now would be obliged to you to obtain the final advice of the customer as to the arrangement required. We remind you of our proposal to fit two TRO equipments.

We draw your attention to the fact that the thermometers indicating the top oil temperature will be supplied with normally open contacts. 20

3) Delivery time and prices.

Our tender states our proposed delivery times under schedule II and that if required we could perform a shorter delivery time for test and inspection i.e. 16 months for the first two units, 18 months for the 3rd and 4th units and 24 months for the last four units.

We should be obliged to know the final decision of the Authority.

With reference to e) pages 3 and 4 of our accompanying letter dated 23rd November 1954, price and commission, we would like to know exactly the actual position of the prices which have been accepted by the customer. 30

4) Oil.

Up to now, we do not know whether the oil is ordered or not. We should be obliged to you to receive all particulars regarding the contractual position of this important item.

5) Spares.

We do not also know the customer's position as regards the spares. Would you please fix us on this subject.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

6) Cooling system.

It is important and urgent to know the value of the pressure drop in the water pipe-work between the coolers and the outlet in the tailroom. We raised this question under clause 13-2 of our tender and would like to hear from the Authority in this connection since this is essential for calculating the differential pressure existing in the cooler units between water and oil systems and for designing the oil pump.

Letter -  
A.C.E.C. to  
Helios  
(continued)

9th June,  
1955.

7) Customer's marshalling box.

We note that the customer will supply a marshalling box.

On the other hand, our supply will normally include at least one terminal box fitted to the transformer tank for terminating the various LV control circuits.

Due to this fact, we suggest that the connection between the customer's marshalling box and the A.C.E.C.'s terminal box will be made by the Authority by means of a multicore cable.

We hope that you will state our position to the customer and hoping to hear from you in this connection, we remain, dear Sirs,

Yours faithfully,

ENGINEER.

EXPORT ZONE MANAGER.

---

10

20

30

Defendants  
(Appellants)  
Exhibits.

A.C.E.C.  
BELGIQUE

Exhibit '4'  
(continued) CD/BC/TF  
MI/2/MF

BY AIRMAIL

Letter -  
A.C.E.C. to  
Helios

HELIOS  
G.P.O. Box 4517  
SYDNEY (Australie)

20th June,  
1955.

VEX/OIP/ 92 259  
552661

Charleroi, Le,  
20th June 1955.

re: 7 - 56 MVA TRANSFORMERS - Spec. 40006  
SNOWY MOUNTAINS HYDRO ELECTRIC AUTHORITY

10

Dear Sirs,

In reply to your letter TIG/TH/2439 dated 6th instant relating to the above order, please note that we are in complete agreement with the various points mentioned in that letter.

Very truly yours,

ENGINEER.

EXPORT ZONE MANAGER.

Exhibit '4'  
(continued)

COMMONWEALTH OF AUSTRALIA  
DEPARTMENT OF TRADE AND CUSTOMS

20

Letter -  
Department  
Trade &  
Customs to  
Helios

Attn Mr. Markham SYDNEY, 29th June, 1955.  
T&C L.55/B 15311  
Mr. T.I. Guler,  
Helios Heavy Electrical Engineering Contracting Co.  
Box 4517, G.P.O.,  
SYDNEY, N.S.W. Ref: NST/TH/2488

29th June,  
1955.

Dear Sir,

I refer to your letters of 14th and 17th June, 1955, covering four applications for licence to import from Belgium Transformers for various Australian electrical undertakings.

30

It is noted that your actual licensing requirements for these goods will not materialize until 1956, and, in this regard, I wish to assure you that every endeavour will be made by this Department to arrange for the issue of the necessary import licences as and when payments to the Belgian supplier fall due.

Yours faithfully,  
(sgd) F.A. Meere  
(F.A. Meere)  
Comptroller-General.

40

## SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY

84 Pitt Street,  
Sydney.

27th July, 1955.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
S.M.H.E.A.  
to A.C.E.C.

27th July,  
1955.

The Manager,  
Ateliers De Constructions Electriques,  
De Charleroi,  
Care of: Helios Heavy Electrical Engineering  
and Contracting Co.,  
City House,  
164 Pitt Street,  
SYDNEY.

10

Dear Sir,

CONTRACT NO.40,006.  
SEVEN - 56 MVA TRANSFORMERS AND  
ANCILLARY EQUIPMENT FOR POWER  
STATION T.I.

1. ACCEPTANCE

20

The Authority hereby accepts your offer  
for the manufacture, testing, supply, delivery to  
site, supervision of erection, commissioning,  
and the maintenance for a period of 30 months of:-

SEVEN - SINGLE PHASE TRANSFORMERS  
RATING 28/28/56 MVA, VOLTAGE 12.5  
KV/12.5/<sup>3</sup>330 kV, 50 CYCLES PER SECOND,

WATER COOLED, FORCED OIL CIRCULATION,  
INCLUDING OIL COOLERS, PROTECTION,  
INDICATION AND ALARM DEVICES.

30

The whole of the Plant and Works shall be  
supplied in accordance with alternative A.2 of  
Specification 40,006 as amended by Supplementary  
Notice Nos. 1 and 2, and as included in your  
tender dated 14th December, 1954, and your  
covering letter dated 13th December, 1954.  
Alternative A.2 is that alternative in which:-

The reactance voltage is 10%.

A cable box is provided for the higher  
voltage terminal.

40

This acceptance shall also include the



Defendants  
(Appellants)  
Exhibits

specified and recommended spares as included in your Tender and as further detailed in sub-clause 2(d) of this letter.

Exhibit '4'  
(continued)

2. PRICES  
(a) Transformers and Ancillary Equipment.

Letter -  
S.M.H.E.A.  
to A.C.E.C.  
(continued)

The total price for the seven transformers and ancillary equipment, but less oil, in accordance with OFFER A2, Item No. 2(a) of Schedule VII - Section (i) of your tender is £A348,946, being the Lump Sum tender price less cost of transformer oil, to which is to be added £A630.0.0. being the amount required above the tender price for shipping the transformers in dry gas and fulfilling the requirements of Clause 20.7.3 of Specification 40,006.

10

27th July,  
1955.

The amounts included in this total price for the F.O.B. value, Insurance, Martin Freight, Transport in Australia and Duty are as set out in Schedule VII - Section (ii) of your tender.

(b) Oil

The total price for oil to be supplied ex Australian stocks is £A20692.0.0. delivered F.O.R. Cooma. This total price included oil for eight transformers, and is based on a quantity of 6500 gallons per transformer, and is in addition to the price stated in paragraph 2(a) of this letter.

20

(c) Transformer Engineer, Chief Erector and Skilled Fitter

For the services of a Chief Erector (from A.C.E.C. Belgium) and Skilled Fitter (from your Australian representative) the following rates shall apply.

30

Chief Erector	-	£A400.0.0. per month
Skilled Fitter	-	£A120.0.0. per month

All other charges, including travelling expenses for the Chief Erector and Skilled Fitter shall be £A1150.0.0. and £A400.0.0. respectively.

The number of persons so employed, and the duration of their employment at site shall be to the approval of the Authority.

In addition to the above personnel a Resident Transformer Design and Construction specialist

40

will supervise and be responsible for the proper erection and putting into service and maintenance of the Plant and the supervision of the Chief Erector and Skilled Fitter above. The services of this Transformer Design and Construction Specialist will be free of charge to the Authority.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

10 Should the erection of the last three units not follow on the erection of the first four units, the duties of the Chief Erector for the last three transformers can be performed by an Australian supervising engineer, skilled in the erection of transformers of the type specified, at a rate of £A250.0.0. per month plus a fixed charge of £A500.0.0.

Letter -  
S.M.H.E.A.  
to A.C.E.C.  
(continued)

27th July,  
1955.

(d) Specified and Recommended Spares

The total price for the complete number of specified and recommended spares covered by this sub-clause is £A26155.8.0. delivered to site.

20 The spares provided shall be as follows:-  
Specification No.40,006 - Schedule VIII,  
Section (iv)  
Item Nos. 1,2,4,5,7,8,9,10,11 and 12.

(e) Total Contract Price

The total Contract price is the aggregate of the prices shown in Clauses 2(a), 2(b) above as follows:-

30	(a) Transformer and Ancillary Equipment	£A349,576.0.0.
	(b) Oil for Eight Trans- formers	£A 20,692.0.0.
	(c) Specified and Recommended Spares	<u>£A 26,155.8.0.</u>
	<b>TOTAL CONTRACT PRICE</b>	<u><b>£A396,423.8.0.</b></u>

3. CONDITIONS OF OFFER

40 Your offer is deemed to comply with Specification 40006, the General Conditions of Contract annexed thereto, and with your tender dated 14th December, 1954, and tender covering letter dated 13th December 1954, except as modified herein.

Defendants  
(Appellants)  
Exhibits

The following information issued subsequent to the Specification shall be deemed to be part of the Specification:-

Exhibit '4'  
 (continued)

(a) Supplementary Notice No. 1 dated 11th September 1954.

Letter -  
 S.M.H.E.A.  
 to A.C.E.C.  
 (continued)

(b) Supplementary Notice No. 2 dated 26th October 1954.

27th July,  
 1955.

The following information, required with the tender, but furnished subsequently by you shall be deemed to be included in your tender.

10

(a) The anticipated amounts due for payment by the Authority, as required by Clause 3 (h) of Specification 40,006 not included in your tender but furnished by you in your letter dated 7th March, 1955.

(b) The Marine Freight and heavy lift rates together with details of the unloading charges included in the Marine Freight and the additional unloading charges should the ship be required to berth at Woolloomooloo. The 6% included in the Marine Freight for your office expenses shall not be subject to any price variation. The information in this sub-clause is in accordance with your letter dated 7th March 1955.

20

(c) The confirmation that impulse tests will be carried out on every transformer as a routine test and the amount of £A225.0.0. per unit for Impulse Testing under Schedule VIII, Section (ii) is payable only if the Authority's representative is unable to attend tests when notified by you, and it is necessary for you to repeat the tests at a later date. The information in this sub-clause is in accordance with your letter dated 17th February 1955.

30

4. DELIVERY

The guaranteed delivery to Site of the transformers, complete with all ancillary equipment and oil will be in accordance with the periods set out in your tender, Schedule 11 Column 3 of Specification 40,006.

40

These deliveries will apply in respect of Liquidated Damages.

Defendants  
(Appellants)  
Exhibits

5. TERMS OF PAYMENT

Exhibit '4'  
(continued)

Letter -  
S.M.H.E.A.  
to A.C.E.C.  
(continued)

27th July,  
1955.

The Terms of Payment under Clause 3 of Specification 40,006 shall apply except that the final payment shall be as modified in your Tender, consequent upon the Maintenance period being extended from 12 to 30 months, that is within 24 months of shipment. The terms of Payment shall also apply to the oil in accordance with your letter dated 7th March 1955.

10

6. VARIATIONS IN PRICE OF CERTAIN ITEMS.

Any variations in the amounts included in your tender for Exchange, Insurances, Marine Freight, Customs Duty and Transport in Australia shall be made in accordance with Clause 5 of Specification 40,006 the amounts included in your tender being based on the rates and prices given in your tender and ruling at 14th December 1954.

20

7. INSURANCES

The Insurances are at the rates and amounts set out in your Tender - Schedule VII and VIII, and the erection insurance covers a limit of 2 months per unit, or a total of 9 months.

No War Risk Insurance is included in the Contract Price, but you are required to provide for this at nett extra cost.

8. WORKS PROGRAM

30

In accordance with Clause 18.4 of Specification 40,006 you are requested, within 30 days of this letter, to furnish a revision of the Works Program submitted with your tender.

This revised Works Program shall be based on the Date of this Letter of Acceptance.

9. BUDGET.

You are required within 3 months from the date of this letter to submit a budget in accordance with the terms of Clause 3(h) of Specification 40,006.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
S.M.H.E.A.  
to A.C.E.C.  
(continued)

27th July,  
1955.

10. MODIFICATIONS TO SPECIFICATION AND TENDER

(a) Auxiliary Power

The values of auxiliary power required under Schedule IV. Items 3(a) (i) and (ii) and 3(b)(i) and (ii) shall be modified in accordance with your letter dated 13th January 1955.

(b) Variation in Prices

In accordance with your letter of 7th March 1955 Conditions of Sale DE.950 attached to your Tender are cancelled. Variations shall be in accordance with paragraph 8 of your letter of 7th March 1955, as amended by your letter of 27th June 1955, subject to the following matters :

10

PO is the Contract Price F.O.B. Antwerp on which rise and fall of Contract Price is based.

Consequential variations due to varying F.O.B. Price, e.g. Customs, Insurance and other items of a like nature due to variation of F.O.B. values shall be to the Authority's account.

The date of commencement of manufacture of each transformer shall be a date two months prior to the first day of the month during which Copper Wire Taping is scheduled to commence, as shown for each transformer in the Works Program submitted with your Tender or any approved variation thereof.

20.

For the purpose of rise and fall conditions, each transformer will be regarded as a separate unit. The F.O.B. basis for each unit shall be deemed to be one seventh of the total F.O.B. price.

It is also provided that should the adjusted price after application of the formula set out in your letter not differ by more than two percent, from the Tender Price, no price adjustment shall be made.

30

(c) Shipment

The proposal in your tender that these transformers be shipped in oil shall not apply, and the transformers shall be shipped in dry gas and the additional cost incurred for shipping in dry gas shall be £630.0.0. as given in your letter dated 16th May, 1955, and as included under sub-clause

40

2 (a) of this letter.

(d) Prices

The prices for oil given under Schedule VII, Section (i) Item 2(b) and Schedule VII, Section (ii) Item 2 (b) shall not apply as these prices refer to transformers shipped in oil. The correct oil prices to be included in the above Schedules shall be as given in your letter dated 7th March 1955 and included under sub-clause 2(b) of this letter.

10

(e) Payments

In accordance with your letter dated 7th March 1955 the following clause, included in page 4(a) of the covering letter dated 13th December, 1954 to your tender, shall be deleted :-

"We specially draw your attention that payments for Customs Duty and Transport in Australia will be paid by your Authority to Helios Co., upon presentation of original invoices and relevant Customs entry."

20

It is further agreed that the payment for Freight, Insurance, Duty, Primage and Transport in Australia shall be fully in accordance with clause 3(b)(i) of Specification 40,006.

(f) Liquidated Damages.

The guaranteed delivery times, which shall apply in respect of Liquidated Damages, shall apply to delivery at Site in accordance with your letter dated 14th March 1955, and the deliveries to Cooma given in Schedule II. Column 3 of your tender shall therefore now apply to Site.

30

(g) Tests

The High Voltage 50 cycle routine tests as covered by Clause 6.1 Schedule VI, Specification 40,006 shall be of one minute duration instead of one second as given in your tender. This modification is in accordance with your letter dated 12th May 1955.

11. SECURITY DEPOSIT.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
S.M.H.E.A.  
to A.C.E.C.  
(continued)

27th July,  
1955.

40

The Security Deposit required under Clause

Defendants  
(Appellants)  
Exhibits

7 of the Conditions of Contract annexed to Specification 40,006 shall be lodged with the Authority within 28 days from the date of this letter.

Exhibit '4'  
(continued)

The Security Deposit shall be 1% of the Contract Price.

Letter -  
S.M.H.E.A.  
to A.C.E.C.  
(continued)

12. ENGINEER FOR CONTRACT

27th July,  
1955.

The "Engineer" as defined in Clause 1 of the General Conditions of Contract annexed to Specification 40,006 shall be Mr. J.C. Callinan who will act in that capacity until you are notified to the contrary, and who, in relation to this Contract, will exercise these rights and powers of the Authority which are specifically stated therein except :-

10

- (a) Matters which under the terms of the Contract are to be exercised by the Commissioner.
- (b) Authorisation of extras and variations exceeding in the aggregate 10% of the Contract Price. 20
- (c) Granting of extension of time exceeding an aggregate total of 5% of the guaranteed delivery periods.
- (d) Fundamental alterations of design.
- (e) Cancellation of the Contract.
- (f) Consents to assignments or sub-contracting except in matters of minor importance.
- (g) Any other matters, notice of which is given to you during the Contract. 30

Notice of any of the above matters will be given to you in writing under the hand of the Commissioner or an Associate Commissioner.

13. FORMAL CONTRACT

A Formal Contract incorporating the terms of this letter will be sent to you for execution.

Yours faithfully,

S. HUDSON  
Commissioner.

TIG/JH 2849

VEX/OIP/GY

43

8th August, 1955.

Defendants  
(Appellants)  
ExhibitsA.C.E.C.  
Charleroi,  
BELGIUM.Exhibit '4'  
(continued)

Dear Mr. Guillery,

Letter -  
Helios to  
A.C.E.C.330 KV TRANSFORMERS FOR T.I.  
CONTRACT 400068th August,  
1955.

10 Please find enclosed the original of the letter of acceptance of the customer dated on the 27th July, 1955.

The delay in receiving this letter of acceptance is the slow operation of Government Administration which is out of our control.

1. ACCEPTANCE: No comments.

20 2. PRICES: We are including in this letter a copy of our covering letter of the 13/12/54 which gives the F.O.B. prices as quoted in detail. The difference in Francs between your F.O.B. prices and the F.O.B. prices quoted by us gives in per-cent our commission rate. As you will see it is considerably lower than our normal commission.

Very shortly we shall send you copies of our schedules submitted to the customer which are identical with our letter of the 13/12/54.

30 Oil: The responsibility of purchasing the oil is A.C.E.C.'s. The oil has to be purchased from England.

In view of the fact that oil prices from England quoted direct for Australia are considerably lower, it is necessary that orders be placed on your behalf from Australia for Temporary admission in Belgium.

At this instance the customer specified that the transformers be shipped under gas. The first filling oil has to be filled in drums and carefully sealed and shipped by A.C.E.C. to Australia.



Defendants  
(Appellants)  
Exhibits

The reason for gas filled transport is the limitation in transport weight on the difficult roads to the mountains.

Exhibit '4'  
(continued)

If things improve and the roads would be safer, we can approach at a later date the customer and insist that the transformer be shipped oil filled.

Letter -  
Helios to  
A.C.E.C.  
(continued)

However, since the unloading gantry at Cooma is for 90 tons we may face some difficulties.

8th August,  
1955.

Regarding the choice of oil it is 100% up to you, however, we have to receive quotation in Australian currency which have to be approved by the Snowy.

10

May I suggest that you ask the English oil manufacturers concerned to get in touch with this office and I will ask them to submit offers for delivery of oil for seven units C.I.F. Antwerp and 1 unit F.O.R. Cooma.

You will receive these quotations from us and decide the oil to be purchased.

20

I hope that this proposal will suit you.

Transformer engineer - Chief fitter and skilled fitter

No comments. We would be pleased to know your decisions regarding Mr. Marique as I would be very happy to have his assistance here. I will do my best to make his stay as enjoyable as practicable.

SPARES No comments.

3. Conditions of offer. No comments.

30

We are attaching a copy of our letter of the 7th March 1955.

4. Delivery No comments.

5. Terms of Payment No comments.

6. Variation in prices No comments.

7. Insurance No comments. Would you kindly

finalise the contract with Messrs. Lumley on this job.

Defendants  
(Appellants)  
Exhibits

8. Works Programme Please submit a renewed works programme.

Exhibit '4'  
(continued)

Virtually our penalty dates have to be counted from the date of this letter of acceptance.

Letter -  
Helios to  
A.C.E.C.  
(continued)

Morally the customer expects us to adhere to the verbal confirmation of order of the 20th May, 1955.

8th August,  
1955.

- 10 The delays for the determination of the cable box due to the non availability of the name of the cable makers have to be also taken into account.

Therefore you will be able to design a new works programme considering the three aspects of the abovementioned points.

9. Budget We will do the necessary.

10. Modification of Specification

(a) Auxillary Power

- 20 (b) Variation in prices

After battling a fight with the legal officers of the Snowy we have come to the solution which shall eliminate unnecessary discussion because of the difficult interpretation and adaptability of your conditions DE 905 to Australian practice. We hope to receive your approval.

(c) Shipment No comments. Read our letter 2315 of the 16/5/55.

- 30 (d) Prices Please refer to our letter of the 7th March, 1955.

(e) Payments No comments.

(f) Liquidated Damages No comments.

11. Security Deposit

We have instructed Australia and New Zealand Bank to lodge £A3965 being 1% of the total tender price.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
Helios to  
A.C.E.C.  
(continued)

8th August,  
1955.

12. Engineer. No comments.

13. The Snowy will draft up a formal contract which will include all correspondence. However, this letter of Acceptance is to be the official order to A.C.E.C. and the contract documents of the Snowy will have only an administrative significance and its date of signatures will mean nothing for A.C.E.C. or ourselves.

I hope that you will be satisfied with our service on this contract and we assure you of our best attention at all times, we are,

10

Yours faithfully,

T.I. GULER.

Exhibit '4'  
(continued)

Letter -  
A.C.E.C.  
to Helios

4th October,  
1955.

A. C. E. C.

CD

BY AIRMAIL

H E L I O S  
G.P.O. Box 4517  
SYDNEY (Australie)

VEX/OIP/NI/2/BRU  
1 92 259

Charleroi le  
4th October 1955.

Dear Sirs,

20

re: CONTRACT 40 006 - SNOWY

We beg to acknowledge with thanks receipt of your letter 2849 dated August 8th together with the Authority's acceptance letter dated July 27th.

These letters are receiving the most careful attention of the departments concerned. It would be much appreciated if you would kindly let us have copies in duplicate of the following letters in connection with the matter under reference.

30

- Auxiliary Power : your letter to the Authority dated 13th January 1955.

- Variation in prices:  
a) your letter of the 3rd March 1955 referred

to in your letter to the Authority dated March 14th 1955.

b) your letter of 27th June 1955 to the Authority.

10 As regards your above mentioned letter date March 14th, we find that the statement contained therein, re the time at which the rates W1, S1 and C1 are to be taken, is inconsistent with paragraph 8 of your letter of 7th March. We assume that the contents of your letter of 27th June will clarify this point to us.

Thanking you beforehand for your kind attention to the present letter, we are, Dear sirs,

Yours faithfully,

ENGINEER.

EXPORT ZONE MANAGER.

\_\_\_\_\_

A.C.E.C.

CD no 387

BY AIRMAIL

20 MR. GULER,  
c/o H E L I O S  
G.P.O. BOX 4517  
SYDNEY (Australie)

VEX/OIP/GY 520 002  
581354

Charleroi le  
8th February 1956

Re: CONDITIONS OF PAYMENT.

Dear Mr. Guler,

30 I thank you for your letter of 22nd November 1955 ref. TIG/TH/3334. I am happy to hear that you think you will be able to arrange with the SNOWY MOUNTAINS HYDRO ELECTRIC AUTHORITY for instalments during progress of work. Please do not lose sight of that question and let me know as soon as possible on what date you think a payment could be expected and what would be the amount.

Regarding other customers, I agree that there is no chance to make them alter payment conditions already fixed by contract. You suggest

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
A.C.E.C. to  
Helios.  
(continued)

4th October,  
1955.

Exhibit '4'  
(continued)

Letter -  
A.C.E.C. to  
Helios

8th February,  
1956.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
A.C.E.C. to  
Helios  
(continued)

8th February,  
1956.

that we make adequate provision for interest in our tenders, but to do so, would mean an increase in prices which are already considered as generally high. Don't you think that, for future deals, when two alternatives are offered by the Specification, we should not choose, as in the past, the less favourable one, i.e. payment of  $\pm 85\%$  against shipping documents, but the other one which consists in instalments during progress of the work.

On the other hand, you do not give your opinion on the proposition I made in my letter of 14th October 1955 to issue letters of guarantee for the  $\pm 10 + 5\%$  instead of delayed payments in cash as imposed by the customer for the time being.

I am, Dear Mr. Guler,

Sincerely yours,

J. GUILLERY.

10

Exhibit '4'  
(continued)

Letter -  
Helios to  
A.C.E.C.

10th February,  
1956.

NST/TH/3622  
/40006

VEX/OIP/GY

10th February 1956.

A.C.E.C.,  
Charleroi,  
Belgium.

Dear Sirs:

SNOWY MOUNTAINS, CONTRACT 40006

A request has been made by the Snowy Mountains Authority that a progress payment be made before June of this year.

However, before such payment can be made an inspection must be carried out of the work done, material in stock etc., and a full report submitted to the Authority. It is proposed that an inspection be made by Mr. Diezendorf during his forthcoming visit to Charleroi.

Due to the above, it is rather important that such details of the manufacturing programme be supplied so that Mr. Diezendorf may arrange to the best advantage his available time in Charleroi.

Thanking you in anticipation for an early reply, we remain,

Yours faithfully,

T.I. GULER.

20

30

40

## H.C. SLEIGH LIMITED

115 York Street,  
Sydney,  
Australia.

JWH.DH

21st March, 1956.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
H.C.Sleigh Ltd  
to Helios

21st March,  
1956.

The Manager,  
Helios Heavy Electrical Engineering  
Contracting Company Pty. Ltd.,  
164 Pitt Street,  
10 SYDNEY. N.S.W.

Dear Sir,

We thank you for your enquiry for the supply of Transformer Oil and have pleasure in quoting you Golden Fleece Transformer Oil BSS 148/1951 as under:

For supply during 1956:

20,000 gallons c.i.f. Antwerp at £57/12/-  
sterling per long ton.

20 8,000 gallons delivered Sydney at 6/7  
Australian currency per gallon under  
security.

If delivery of the Sydney requirement  
can be made ex an arriving vessel,  
the price will be 6/6½ Australian  
currency per gallon under security,  
delivery free within the metropolitan  
area.

30 We also undertake to repurchase drums at  
12/6d/ each.

For supply during 1957:

30,000 gallons c.i.f. Antwerp at £57/12/-  
sterling per long ton.

26,000 gallons delivered Sydney at 6/7  
Australian currency per gallon under  
security or 6/6½ Australian currency  
per gallon under security if delivered  
ex arriving vessel.

40 The prices for 1957 are subject to a  
limited rise or fall of 2d. sterling per Imperial  
gallon for delivery during the first quarter  
ending 31st March. Thereafter, they are subject

Defendants  
(Appellants)  
Exhibits

to such rise or fall as may be determined by the European Transformer Oil industry as a whole. The prices quoted for 1956 are firm for delivery during any period of that year.

Exhibit '4'  
(continued)

Letter -  
H.C.Sleigh  
Ltd to Helios  
(continued)  
21st March,  
1956.

The limited rise and fall clause inserted for the 1957 shipments is to protect you against any industry rise in excess of 2d. sterling per gallon, but we regret that our principals cannot extend this offer beyond the first quarter of 1957. You will appreciate that, for an extended delivery, many factors have to be considered and increases or decreases for 1957 could be governed by fluctuations in the cost of raw materials and freight rates, and deliveries are all subject to our usual force majeure clauses.

10

Payment in all cases will be made by you in Sydney against our commercial invoice. Invoices in respect of any deliveries made to Antwerp would be accompanied by copy of Customs invoice, the original of which, together with shipping documents, would be delivered to Ateliers de Constructions Electriques de Charleroi by Raven Oil Co. Ltd. We would prefer payment in Sydney both for Sydney and Antwerp deliveries for policy reasons. However, if you insist, we can draw against A.C.E.C. for such deliveries as are made c.i.f. Antwerp. The order, in all cases, should be issued by you on H.C. Sleigh Limited, Sydney.

20

The manufacturers of this oil are Manchester Oil Refineries and shipment would be made by their London office, Raven Oil Company Limited of 17 Stratton Street, Piccadilly.

30

As regards the disposal of drums in Belgium, we should appreciate your advice as to whether you desire to avail yourselves of the services of Raven Oil Co. in conjunction with ourselves in finding a market. We understand there is some objection on the part of the Belgian Government to the importation of drums. Our principals have indicated that they can sell these for you outside of Belgium and of course you would be credited with the full amount obtained by any such negotiation. This offer is firm for reply by Tuesday, the 3rd April, 1956.

40

Your valued instructions would be appreciated.

Yours faithfully,  
H.C. SLEIGH LIMITED.

Manager,  
INDUSTRIAL & TECHNICAL DIVISION.

H E L I O S

164 Pitt Street,  
SYDNEY.Defendants  
(Appellants)  
Exhibits

TIG/TH/3880

VEX/OIP/GY

Exhibit #4:  
(continued)

2nd April, 1956.

Letter -  
Helios to  
A.C.E.C.A.C.E.C.,  
Charleroi,  
BELGIUM.2nd April,  
1956.

Dear Sirs:

10

TRANSFORMER OIL.

I am sending to you the last quotation which I have received from any Australian suppliers. This firm is one of the most important Petrol and Oil suppliers in Australia and is the main supplier of the Electricity Commission of New South Wales.

20

This following particular point has to be kept very confidential and in no case has to be revealed to any oil Company in Belgium or England, as we have given H.C. Sleigh our word to be confidential.

The H.C. Sleigh Company will reimburse us the amount for Duty as they are officially not allowed to go below the market prices agreed upon with the Oil Refineries. None of the other companies were interested to go to the extent to give us as favourable a price as H.C. Sleigh.

30

The Refinery concerned is the Manchester Oil Refinery and the oil will be to B.S.S.148/1951. Your order has to be placed in Sydney and payments have to be effected here.

If you would choose another oil supplier we will invoice you the Customs Duty to be paid, as the customer will not pay any Customs Duty.

You may remember that our contract is for supply with oil from local sources and shipment in Nitrogen. However, we will ship the transformers filled with oil.

I was obliged to adopt this ruse the guerre when tendering for Contract 40006, as every penny



Defendants  
(Appellants)  
Exhibits

in the reduction of the tender price was of vital importance to turn the verdict in our favour.

Exhibit '4'  
(continued)

From the attached cutting of the Herald you may understand that our successful position was created due to the very insignificant advantages in price which were created.

Letter -  
Helios to  
A.C.E.C.  
(continued)

Of course, the Manchester Oil Refinery will meet your most exacting requirements regarding the oil to be supplied.

2nd April,  
1956.

However, if you want to approach the Manchester 10 Refinery directly on technical matters, it would be appropriate to stipulate that A.C.E.C. was intending to purchase the oil through H.C.Sleigh Company of Australia.

Thanking you for your co-operation in advance, we remain,

Yours faithfully,

T.I. GULER.

Exhibit '4'  
(continued)

TRANSLATION

Charleroi 17th April, 1956

20

Translation  
Letter -  
Belgian Bank  
to A. & N.Z.  
Bank, Sydney.

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE

Dear Sir,

Guarantees of £A 2,000, 10,000 and 15,000 in favour of your Bank in view of assuring the bona fide of the opening of credits granted by you to Helios.

17th April,  
1956.

We herewith send you, for your guidance, copy of a letter, which we will mail today to your London Office, regarding the subject mentioned above.

30

Consequently, the new name of the representative in Australia of our client, the Ste Ame Ateliers de Constructions Electriques de Charleroi at Charleroi, is as follows:

"Heavy Electrical Engineering & Contracting  
Co. Pty. Ltd." (Helios)

Yours faithfully,

17 Avril 1956

Defendants  
(Appellants)  
Exhibits

RECOMMANDEEPAR AVION

Secretariat OJ.MM.

AUSTRALIA AND NEW ZEALAND  
BANK LTD  
71 Cornhill,  
LONDON E.C.3.  
(Angleterre)

Exhibit '4'  
(continued)

Letter -  
Belgian Bank  
to A. & N.Z.  
Bank, London.

Messieurs,

17th April,  
1956.

- 10 Cautions de £.Australiennes 2.000- 10.000- et  
15.000- en faveur de votre Etablissement en vue  
d'assurer la bonne fin des ouvertures de credit  
consenties par votre Agence de Sydney a la firme  
HELIOS

- 20 Nous referant a notre lettre du 17 decembre  
1955, nous avons l'honneur de vous informer que  
la raison sociale du representant en Australie de  
notre cliente, la Ste Ame ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI a Charleroi est devenue  
actuellement :

"HEAVY ELECTRICAL ENGINEERING CONTRACTING CO  
Pty LTD" ( HELIOS )

En consequence, nous vous prions de bien  
vouloir considerer que les garanties bancaires et  
les ouvertures de credit emises en faveur de  
"HELIOS" sont valables pour "HEAVY ELECTRICAL  
ENGINEERING CONTRACTING CO Pty LTD".

Par mene courrier, nous en avisons votre  
Agence de Sydney.

- 30 Veuillez agreer, Messieurs, l'expression  
de notre consideration distinguee.

Sous-Directeur.

Secretaire.

Defendants  
(Appellants)  
Exhibits

TRANSLATION.

AIRMAIL

Exhibit #4:  
(continued)

HC/SC/EXP.

H E L I O S

G.P.O. Box 4517

SYDNEY

(AUSTRALIA)

593506  
VEX/OIP/MF/No.550

Translation  
Letter -  
A.C.E.C. to  
Helios

520 002

12 May 1956.

CONCERNING: FINANCIAL POSITION OF THE  
AUSTRALIAN CLIENTS.

12th May,  
1956.

Mr. Guler,

10

We acknowledge reception of your letter No. 460 of the 27th March 1956 in which you set out the financial position of the Australian clients.

We feel disposed to help these clients as much as possible and accept the deference of certain payments of about 2 months.

Nevertheless as you are aware the costs of financing our business are very high and for this reason we are obliged to apply interest rates as set out hereafter.

20

We take this opportunity of pointing out to you that our accounts department must have precise control over the different payments made by you. To this end we would ask you to let us know in each case the precise reference number of the order. We thank you in anticipation for this.

1) ETSA. - Spec.652:

Please note that, as an exception, the dates of payment of drafts Nos. 15158/40 of the 16/2/56, 15345/46 of the 15/3/56 and 15420/48 of the 26/3/56 which relate to the reconciliation of prices for the material supplied in the first 3 consignments, has been carried forward to 45 days; the new date of payment is fixed at 165 days from the date of consignment. No further request for extension of the date of payment will be acceded to.

30

2) Western Australia - Contract 487 A :

In accordance with the general conditions

40

of the contract, the client undertakes to pay us 95% of the contract price after receipt by the agent delegated by the client, of the merchandise. As the merchandise has not been received, we consider the 10 December, 1955, (the date of receipt of the documents) as the date of payment. As no payment had been made at this date, we are charging the client 6% on the 95% of the total invoice and this interest will be charged as from the 1st January, 1956.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Translation  
Letter -  
A.C.E.C. to  
Helios  
(continued)

12th May,  
1956.

10 3) E.C.N.S.W. - 2 transformers of 30 MVA -  
Contract 262.

We have received the sum of 6 171 680 francs representing part of the total which is due to us under this contract and wish to thank you. We draw your attention to the fact that this sum does not correspond with the terms of payment (85% of the CIF value).

20 We would like these terms scrupulously adhered to in future consignments.

4) Balmain - 6 x 1000 et 4 x 500 KVA.

This transaction is now complete and up to date for which we thank you.

5) Northern Rivers County Council - spec.159/54:

Following the client's letter of acceptance, 95% of the CIF value should be paid on delivery IN SYDNEY and not one month after at the site, as mentioned in your letter of the 27th March, 1956.

30 As regards the 4 first units, we wish to point out that 6% per annum will be charged against the client as from the 15th April 1956, which is approximately the date of delivery IN SYDNEY.

40 Units Nos 5, 6 and 7 were received on the 19/3/56 and their receipt was acknowledged, by the receiving firm. Interest will be charged on these units as from 30/5/56 which should be the date of their delivery in SYDNEY if the material can be forwarded as normal.

Following your letter No. 477 of the 13/4/56, we shipped the 5th unit by the "CRETIC"

Defendants  
(Appellants)  
Exhibits

on the 8/5/56.

Exhibit '4'  
(continued)

At your request, we have stored units 6 and 7 for 3 and 6 weeks, the supplementary charges for which will be debited to the clients.

Translation  
Letter -  
A.C.E.C. to  
Helios  
(continued)

- |    |  |                         |
|----|--|-------------------------|
| 1) | Cost of storage per unit<br>and per month      | Belgian francs 12 000.- |
| 2) | Cost of insurance per unit<br>and per month... | " " 1 000.-             |

12th May,  
1956.

Therefore the total of these charges amounts  
to:

10

Transformer No. 6

12 000 x 3/4	-	9 000 fr. Storage,
1 000 x 3/4	-	750 " Insurance

Transformer No. 7

12 000 x 6/4	-	18 000 fr. storage
1 000 x 6/4	-	1 500 " Insurance

For the last three units, the situation will  
be as follows:

1) Storage and Insurance

Unit No. 8: Nothing

20

Unit No. 9: 3 weeks i.e. 12 000 x 3/4 plus  
1000 x 3/4 - 9750 francs

Unit No.10: 6 weeks i.e. 12 000 x 6/4 plus  
1000 x 6/4 - 19 500 francs.

2) Interest.

Interest will be charged as from the 15/8, the date of delivery IN SYDNEY, if it has been possible to forward the material as soon after the date of it's receipt as is convenient to the Agent General.

30

6) SEC. VICTORIA - 54-55/45:

In accordance with our list of charges and our letter of receipt regarding this order, the invoice account relating to the 1st. consignment should have been honoured on the 15th of last

month. The material included in the second consignment should be paid for, at the latest on the 16th inst.

Defendants  
(Appellants)  
Exhibits

If these two accounts are not settled by the 1st May and the 1st June, 6% interest will be debited against the client as from that date.

Exhibit '4'  
(continued)

10 7) Northern Riverina County Council -  
1 tension regulator  
1 000 kVA spec. E.154.

Translation  
Letter -  
A.C.E.C. to  
Helios  
(continued)

We have been informed by our Accounting department that invoice No. 187/478 of the 2/6/56 for an amount of 320 000 frs. has not yet been settled. We think that you may have forgotten this and take this opportunity to remind you.

12th May,  
1956.

Further to our letter No. 328 of the 5/1/56, we are to-day, invoicing the Buchholz relay at a price of 7 000.- francs CIF.

20 Please inform the clients respectively of the different points covered in this letter.

Yours.....

ENGINEER.

DIRECTOR OF THE ZONE.

TIG/EMB/4116  
/40006

NU/TF 56/322  
ER/RD 10/E/57/3

Exhibit '4'  
(continued)

22nd May, 1956.

A.C.E.C.  
Charleroi,  
BELGIUM.

Letter -  
Helios to  
A.C.E.C.

30 Dear Mr. Rousseaux,

SNOWY - 40006 - 330kV TRANSFORMERS.

22nd May,  
1956.

I apologise for the late reply of your letter of the 17th April.

1. The Customs Duty expenses will be refunded to us to cover the Customs Duty expenses incurred by ourselves.

2. The prices include prices of barrels. (44 gallon drums).

40 3. You are at liberty to state your final quantities.

I hope that this clarification will be found suitable and I beg to remain,

Yours faithfully,

T.I. GULER.

Defendants  
(Appellants)  
Exhibits

TRANSLATION

H E L I O S

SYDNEY

Exhibit '4'  
(continued)

22/5/56

Translation  
Letter -  
Helios to  
A.C.E.C.

A.C.E.C.

Dear Mr. Guillery,

Financial position of the Clients.

22nd May,  
1956.

I have just received your letter of the 12th May for which I thank you. I quite agree with your point of view, nevertheless I would ask you to be patient and not to act as a "tax collector" so as not to upset the clients.

10

South Australia. 621 - 652

You are receiving payments against drafts for tender prices regularly. As regards the price adjustment invoices, I have not paid the drafts as I was not sure if I would receive the payment from the client in time. For instance (Contract 651) the client still owes me 3500 of which I sent you the equivalent money 5 months ago. As, under the contract 652, the adjustment sums are larger, I was unable to sign the drafts for fear the payments would not be made in time.

20

For this reason I would ask you not to draw bills for the remainder of the adjustment costs as these cause delays and annoyances to your financial personnel.

Western Australia(488).

Unfortunately, as you will recall, the invoices were incorrectly prepared and I asked you for new invoices. The delay of a month resulted in the suspension of payment for 2 months whilst the customs deposits were settled. As a rule we are paid within 30 days of the merchandise being delivered to the clients. It is quite possible that this delay of 30 days augments once or twice owing to a clarification of some kind being necessary and this is "legal". Then the client thinks that payment towards February - March is logical. Taking into consideration that this is the first delivery by A.C.E.C. in Western Australia

30

40

the client considers paying after the goods have been put into service. On the 15th May I sent you 95% of the CIF price of this delivery. We could charge the client two months for delays of payment. Though I wonder if this action would be beneficial.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

1. The client is going to say that ACEC starts arguments with their first deliveries.
2. The transformers, Schedule 100A (2 x 10 MVA) were 3 - 4 months late in your factory and the client may make large penalty claims for this delay if we insist on penalising him for late payments.

Translation  
Letter -  
Helios to  
A.C.E.C.  
(continued)

22nd May,  
1956.

I leave the decision to you.

E.C.N.S.W.

I sent you 85% of the price FOB. Now the transformers have been put into service and I will receive 10% of the FOB price from the client. The variation amount of the price and the price for the CIF expenses.

20 Taking into account that within one month I received the shipments of 8 - 9 ships simultaneously and that I was obliged to erect the transformers as quickly as possible, the submission of invoice to the clients was delayed. Now we have caught up with the late invoices.

☉ I hope to reconcile contract 262 (2 x 30 MVA) in two weeks.

Contract 382 (2 x 45)

30 I sent you on the 26/5 7407814 Francs. The remainder will be sent to you in two or three weeks on completion of the erection of the transformers.

Grafton. 4 x 5 MVA

Although my conditions of payment in my estimates indicate cash against documents "Free on Rail" Sydney, the client has only paid me 1 month after delivery at Grafton. If the equipment is delayed en route it is "just too bad".

40 The first two transformers were delivered to Grafton on the 15th April and you received payment for two units on the 15th May. The payment for



Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Translation  
Letter -  
Helios to  
A.C.E.C.  
(continued)

22nd May,  
1956.

No. 304 will be on the 25th to 30th May, their delivery at Grafton having been effected on the 30th April.

The reconciliation and readjustment charges will be paid within two weeks after the 30th May. Concerning the lightning arresters ASV 73 for this client, you sent 3 lightning arresters extra, i.e. 33 units against an order for 30 units.

The client will discuss this extra delivery in the Council Meeting which takes place once or twice a month.

So I suppose that we may expect a delay of 1 - 6 weeks.

10

Balmain 1000 KVA. 500 KVA.

The client did not pay £6000 until the transformers were put into service. We have sent you the complete amounts. These transformers had absorbed moisture and had to be dried out. We have not yet received payment from the insurance.

As regards the interest to be charged for Grafton for transformers 5, 6, 7, 8, 9 and 10, it is necessary to prove the delays effected at the factory after the dates of acceptance and consignment.

20

I wrote you on the 14/4 asking you to continue the consignment as set out in the contract and to cancel all delays in the consignment.

Only after the approval of the client can one make out the invoices for the delays which took place. Without the approval of the client one can make out 100 invoices, but I regret to inform you that these will be worthless.

30

SEC VICTORIA. 54/55/45

Lightning arresters. It is very unfortunate that the client tested the lightning arresters before accepting delivery. The first lightning arrester which he tested failed and all payment activity stopped. I asked for a complete report and it would appear that they wish to test 15 lightning arresters before making payment.

40

After the failure of the 220 KV de HAEFLEY we have a special reason to very silent and not to threaten the SEC with penalties for delays of payment if we do not wish to be deleted from their list of suppliers.

As Director of the Zone, you should inform your Cashier or Tax Collector that the supplier is always wrong and the customer is always right, even if in fact the position is vice versa.

Defendants  
(Appellants)  
Exhibits

For the loss of £200 - £300 or at the most £500 a year for delayed payments, it is not desirable to destroy relations with the client and to bring about a strictly official relationship.

Exhibit '4'  
(continued)

Translation  
Letter -  
Helios to  
A.C.E.C.  
(continued)

10 At the moment these payments have been received and not paid to you:

STANVAC - £3000  
1000 KVA - £2500

22nd May,  
1956.

I am holding them against the payments (not received but transferred to you) for the transfer of 1000 KVA and the variation amount of contract 651. I hope to receive these payments from the client during the month of June and you will receive the full amount.

20 I anticipate receiving the payments set out hereunder during the month and will forward them to you without delay.

1.	NELEUS 295/1 Auto	1 350 000 (2 weeks)
2.	GRAFTON 2 x 5 MVA	25-30/5/56 2 200 000
3.	Readjustment for Grafton	600 000 15/6/56
4.	Lightning conductors Grafton	500 000 15-30/6/56
30 5.	Remainder and readjustment(262)	2 000 000 10/6/56
6.	Readjustment (382)	700 000 10/6/56
7.	Readjustment total (652) S.A.	500 000 25/6/56

Thanking you,

Yours.....

T.I. GUIER.

Defendants  
(Appellants)  
Exhibits

H E L I O S

Exhibit '4'  
(continued)

164 Pitt Street,  
SYDNEY.

Letter -  
Helios to  
A.C.E.C.

TIG/EMB/4113

22nd May, 1956.

22nd May,  
1956.

50/40006

A.C.E.C.,  
Charleroi,  
BELGIUM.

CONTRACT 40006 - PROGRESS PAYMENT -  
INVOICING.

10

Dear Sir,

We think than a progress payment of £85000 or £90000 will be made, subject satisfactory report of Mr. Deisendorf.

This progress payment will be made on account of the above contract. The invoice adjustments can be made on despatch of each transformer. In e.g. the invoiced amounts will be deducted from progress payments or vice versa.

Therefore it is suggested to await Mr. Deisendorf's report and the Snowy's arrangements before writing invoices.

20

Thanking you, I remain,

Yours faithfully,

(sgd) T.I.Guler

T.I. GULER.

TRANSLATION

AIRMAIL.

Defendants  
(Appellants)  
Exhibits

CD

MR. GULER

593088

C/o HELIOS

VENTACEC

VEX/OIP/GY 520 002

197 Avenue Victoria,  
CHATSWOOD N.S.W.  
Australia.

29th May, 1956.

Concerning the FINANCIAL POSITION OF THE CLIENTS.Exhibit '4'  
(continued)  
Translation  
Letter -  
A.C.E.C. to  
Helios.29th May,  
1956.

10 Dear Mr. Guler,

Thank you very much for your letter of the 22nd May, 1956, which has just reached me. I willingly recognise the sincerity of the explanations contained in this letter regarding certain delays on the part of the clients in the settlement of our accounts.

20 We will revert, in detail, to the different cases mentioned in your letter, but as from now, I would recommend that my colleagues of VEX/OIP and the Agents des Services Financiers to treat each particular case with the greatest flexibility possible.

As you quite rightly say, we should try not to act as "tax collectors" though, at the same time we should try to lighten as much as possible the financial burden which will fall on the A.C.E.C. as a result of delayed payments.

30 In effect, it would be a poor way to defend the financial interests of A.C.E.C. if, by forcing the client to pay interest on late payments, he was provoked into applying the penalties set out in the contract governing delays in delivery or ousting A.C.E.C. from any subsequent business dealings.

40 Concerning Western Australia in particular, I agree with you that if we wish to avoid the application of penalties for late delivery on the two transformers of 10 MVA, Schedule 100 A, it would be preferable to renounce the interest we had envisaged for the terms of payment granted in the case of contract 487.

Defendants  
(Appellants)  
Exhibits

Generally speaking, I repeat that so long as large amounts are not at stake, our first object should be not to upset the client. In other words we should not be niggardly.

Exhibit '4'  
(continued)

It is in this spirit that the different point dealt with in your letter of the 22nd May will be examined. All I ask you to do in the meantime, is to insist gently that the money "comes in", if you can do so without offending the clients. I will always welcome any suggestion which you may wish to make on the subject.

10

Translation  
Letter -  
A.C.E.C. to  
Helios  
(continued)

29th May,  
1956.

Yours.....

J. GUILLERY.

Exhibit '4'  
(continued)

CD.L. 592

BY AIRMAIL

Letter -  
A.C.E.C. to  
Guler

VENTACEC

MR. GULER,  
HELIOS,  
G.P.O. Box 4517,  
SYDNEY,  
(Australia)

VEX/OIP/GY 520 119  
I 92259

5th June,  
1956.

5th June, 1956.

20

Re: SNOWY MOUNTAINS.

Dear Mr. Guler,

The Transformer Division is proud to announce and you will be glad to hear that the first of the seven transformers of the contract no 40 006 for SNOWY MOUNTAINS has successfully sustained the tests to which it has been submitted.

You will find herewith a copy of the report of theTransformer Division.

30

Yours sincerely,

ENGINEER.

EXPORT ZONE MANAGER.

BE/TF 56/186 May 28, - 1956

A.C.E.C. TRANSFORMER DIVISION  
SNOWY MOUNTAINS

SEVEN SINGLE PHASE TRANSFORMERS 12.5 - 12.5 / 330 kV - CONTRACT No. 40,006

Guaranteed values	Tolerance	Measured values
78 kW 98 kW 131 kW	+ 10% + 10% + 10%	79.3 kW 96 kW 116 kW
155 kW	+ 10%	146 kW
67 kW 67 kW	+ 10% + 10%	68.1 kW 56.5 kW
2 x 32 A 2 x 47 A 2 x 69 A	+ 20% + 20% + 20%	2 x 21.5 A 2 x 32.5 A 2 x 57.5 A
10% 20%	+ 10% + 10%	9.45% 21.4%

I. - Losses

- a.- Open circuit loss at rated voltage
- b.- Open circuit loss at 105% rated voltage
- c.- Open circuit loss at 110% rated voltage
- d.- Load losses at currents corresponding to the following conditions :
  - 1°) HV output 56 MVA at unity power factor.  
Applied voltage equal to rated voltage.  
Each LV winding equally loaded
  - 2°) HV output 28 MVA at unity power factor.  
Applied voltage equal to rated voltage  
LV<sub>1</sub> winding open circuited  
LV<sub>2</sub> winding open circuited

II. - No load currents for the low voltage windings

- a.- at rated voltage
- b.- at 105% rated voltage
- c.- at 110% rated voltage

III. - Impedances

Impedance voltage HV winding to LV winding  
Impedance voltage between LV windings

SURGE TESTING

- 2 Full waves 1300 kV - 1.5/40
- 2 Chopped waves 1500 kV - 3 usec.

OK  
OK

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Enclosure  
with letter  
A.C.E.C. to  
Guler.

5th June 1956

Defendants  
(Appellants)  
Exhibits

TRANSLATION OF LETTER DATED 21ST JUNE 1956  
FROM A.C.E.C. TO BELGIAN BANK.

Exhibit '4'  
(continued)

Translation  
Letter -  
A.C.E.C. to  
Belgian Bank

21st June,  
1956.

"Gentleman,

We confirm the telephone conversation which we had with your Mr. Mattot yesterday when we asked you to cable the A.N.Z. Bank in Sydney asking them to get in touch urgently with our representative Helios, 250 Pitt Street, Sydney, Australia, with a view to issuing a Bankers' undertaking for £A.62,180 required to assure the due performance of the works referred to above.

10

We thank you .....

Exhibit '4'  
(continued)

Translation  
Letter -  
A.C.E.C. to  
Helios

26th June,  
1956.

BM/SC.EXP

AIRMAIL.

S.A. H E L I O S  
197 Victoria Avenue,  
CHATSWOOD, SYDNEY  
Australia.

VEX/OIP/FM No. 626  
520 002

26th June, 1956.

598490

20

Concerning: Financial Position Of The  
Australian Clients

Dear Sirs,

We thank you for your letter of the 22nd May, 1956 relative to the financial position of the Australian clients.

Nevertheless we should like to clear up certain points:

1) E.T.S.A. - spec. 652.

The first point relates to the subject of the readjustment of the transformers referred to in the above specification, which was paid for on the 15th June 1956. We understand that the 5 remaining bills have not been accepted by your firm. We hope that these bills will be honoured in accordance with the terms of the contract.

30

2) Western Australia.

Owing to the delay in delivery of the transformers, schedule 100A, and to the fact that the penalties were not applied, we agree not to charge the client with interest for late payment on the equipment furnished under contract 487A.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Translation  
Letter -  
A.C.E.C. to  
Helios  
(continued)  
26th June,  
1956.

3) E.C.N.S.W. - Contract 262.

10 The client has to date paid FB. 6 821 675, for this contract. Whilst expressing our satisfaction at this large deposit of funds, we would nevertheless point out that this represents only 91.7% of the FOB value (Invoice No. 1) whilst the terms of payment in the contract call for 95%.

We should also like to remind you of our readjustment accounts as well as the payments for freight and insurance.

Contract 382.

20 The above remarks concerning contract 262 apply equally in this case. The amount paid, i.e. 7 407 814 BF. represents 81.9% of the FOB value (Invoice No. 1) whilst the terms of payment in the contract call for 85%.

4) 10 transformers 5 MVA - NRCC.

Reverting to our letter No. 593 506 of the 12th May 1956, would you please inform the client that the total of the supplementary charges for warehousing and insurance of the units Nos. 5, 6 and 7 will amount to;

Transformer No. 5 ..... nothing

30 Transformer No. 6

12 000 x 3/4 - 9 000. - BF for warehousing  
1 000 x 3/4 - 750. - BF " insurance.

Transformer No. 7

12 000 x 4/4 - 12 000. - BF for warehousing  
1 000 x 4/4 - 1 000. - BF " insurance

Actually, following your letter of the 13th April, 1956, units 6 and 7 should be warehoused for periods of 3 and 6 weeks respectively. After



Defendants  
(Appellants)  
Exhibits

receiving your telegram of the 24th May, we have forwarded the 7th unit, about one week after the 6th unit, and therefore a 4 week period of warehousing will be necessary.

Exhibit 14:  
(continued)

So the periods to be considered for the calculation of storage fees and insurance charges are 3 weeks for the 6th unit and 4 weeks for the 7th unit.

Translation  
Letter -  
A.C.E.C. to  
Helios  
(continued)

Units 8 - 9 et 10.

26th June,  
1956.

In accordance with the above mentioned letter, these 3 units will be expedited 1 unit every 3 weeks as from 15th August, 1956.

10

For these units, the situation will be as follows:

Warehousing and Insurance.

Unit No. 8 - nothing.

Unit No. 9 - 3 weeks, that is 12 000 x 3/4 plus  
1 000 x 3/4 - 9 750 - BF.

Unit No.10 - 6 weeks, that is 12 000 x 6/4 plus  
1 000 x 6/4 - 19 500 - BF.

20

We feel sure that you will be good enough to contact the client to ascertain if he is agreeable to the above.

Please note that we are acting in accordance with the instructions contained in your letter of the 13th April, we presume your letter of the 14th May to which you refer, is in fact the above mentioned letter of the 13th April.

Concerning the lightning-conductors, please refer to our letters Nos. 546 046 of the 5th May 1955 and 547 208 of the 16th May 1955, which stipulate that the prices given are for the furnishing of 33 units.

30

5) SEC Victoria - specification 54/55 - 45.

Owing to the cracking of the first lightning conductor, we understand that the client is not disposed to pay us. However, in order to keep our manufacturing service informed, we would like to receive particulars of the trials of these lightning conductors.

40

As 5 weeks have now passed since the above mentioned letter, we would ask you to invite the client to forward us the report we asked for; we expect to obtain an immediate settlement on the basis of this report.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

6) General.

We are happy to learn that you are in possession of the sums relating to the 1000 kVA regulator as well as the payment made by BRAUN.

Translation  
Letter -  
A.C.E.C. to  
Helios  
(continued)

- 10 Please note that, whilst we understand your difficulties, we cannot agree as to the retention of these amounts.

26th June,  
1956.

Our organisation obliges us to treat each order individually. We take into consideration the difficulties with which you are faced, and in the circumstances hope to resolve them with you as far as is possible within the framework of the contracts; Contract No. 651 on one hand and Contract Balmain (1000 - 500 kVA) on the other.

- 20 We therefore consider that it behoves you to proceed, without delay, with the payment of the sums you are holding.

We thank you for the estimates which you sent us.

We state that as at this date, certain payments are still outstanding;

Grafton - 2 x 5 MVA - NRCC	2 200 000
Readjustment for Grafton	600 000
Lightning conductors Grafton	500 000
30 Remainder and readjustment Contract 262	2 300 000
Readjustment contract 382	700 000
Readjustment contract 652	500 000

We are counting on your services to obtain these retarded payments and thank you in advance.

7) Snowy

We thank you for your telegram of the 20th

Defendants  
(Appellants)  
Exhibits

June, 1956 and confirm that our bank communicated, by cable on the 20th June, with the ANZ Bank in Sydney.

Exhibit '4'  
(continued)

We hope that this was sufficiently rapid and will permit us to draw on this first substantial deposit.

Translation  
Letter -  
A.C.E.C. to  
Helios  
(continued)

We are very interested in the way things are developing and congratulate ourselves on the happy prospects in view thanks to your cooperation.

Yours.....

10

26th June,  
1956.

ENGINEER.

DIRECTOR OF THE ZONE.

Exhibit '4'  
(continued)

TIG/TH/4294

29th June, 1956.

Letter -  
Helios to  
A.N.Z.Bank

The Manager,  
Australia & New Zealand Bank Ltd.,  
MARTIN PLACE.

Dear Sir:

29th June,  
1956.

Would you please transmit by Telegraphic Transfer to A.C.E.C., Charleroi, Belgium, the sum of 6,964,222 B.F.

We are attaching to this letter a cheque of £62,967/12/- made out on an exchange rate of 110.6 B.F. to L£A.

20

Please transfer this amount at the most favourable rate and send us a debit or credit note for the outstanding amount due to exchange rate on the day of transfer.

Thanking you, we are,

Yours faithfully,

T.I. GULER.

663.

TIG/EMB/4309

Defendants  
(Appellants)  
Exhibits

3rd July, 1956.

579

Exhibit '4'  
(continued)

A.C.E.C.,  
Charleroi,  
BELGIUM.

Letter -  
Helios to  
A.C.E.C.

Dear Sir,

3rd July,  
1956.

We wish to confirm your cable reading as follows:-

10

SNOWY PLEASE CABLE WHEN PAYMENT POUNDS  
A 62180 CAN BE EXPECTED STOP YOUR LETTERS  
4045/4039/4048 DATED 15 MAY ONLY RECEIVED  
ON 25 JUNE ECNSW YASS SUBSTATION PLEASE  
SEND URGENTLY SPEC 622 11KV SHUNT REACTORS  
OIP 58....VENTACEC

Thanking you, we are,

Yours faithfully,

T.I. GULER.

20

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE  
Charleroi le 3 juillet 1956

Letter -  
Belgian Bank  
to A.C.E.C.

CHANGE/MD

A 476

S.A. ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI  
CHARLEROI

3rd July,  
1956.

Messieurs,

30

Ordre de paiement telegraphique  
du 3/7/56 de FB 6.964.222.-  
S.I. HELIOS  
Mention: Contract 40,006  
Confirmation de n/entretien telephonique  
de ce jour.

Defendants  
(Appellants)  
Exhibits

Exhibit '4'  
(continued)

Letter -  
Belgian Bank  
to A.C.E.C.  
(continued)  
3rd July,  
1956.

En vue de nous conformer aux nouvelles instructions n°6 de l'INSTITUT BELGO-LUXEMBOURGEOIS DU CHANGE et nous permettre de solliciter son autorisation pour denouer l'operation ci-dessus, veuillez nous faire parvenir, par retour du courrier, la lettre "AVIS" ci-jointe, accompagnee des trois formulaires de "DECLARATION DE CREANCE" dument completes et signes.

Si le paiement se rapporte a une exportation de marchandises ces declarations de creance doivent porter l'indication du numero des documents d'exportation ainsi que la denomination de la Banque qui les detient, mentions a indiquer dans la case superieure droite.

10

Si l'exportation des marchandises a ete effectuees a partir du 14 janvier 1952 veuillez nous remettre ces declarations de creance etablies lors du passage en douane et portant l'estampille de cette Administration. Dans tous les cas de paiement commerciaux, il y a lieu de joindre a vos declarations de creance une copie de la facture originale ou de la facture proforma, si elle ne nous a pas ete remise lors due visa des documents d'exportation, une declaration de libre sortie en douane ou un autre document douanier belge pour les exportations anterieures au 14 janvier 1952.

20

La presente communication ne comporte aucun engagement de notre part et vous est donnee sous reserve de toutes instructions contraires ou nouvelles du donneur d'ordre, ou de toutes dispositions legales ou reglementaires a intervenir.

30

Veuillez agreer, l'assurance de notre consideration distinguee.

---

HELIOS

Date:  
5th July, 1956.Defendants  
(Appellants)  
ExhibitsExhibit '4'  
(continued)Australia and New Zealand Bank Limited,  
Martin Place & George St,  
Sydney.Letter A.N.Z.  
Bank, Sydney  
to HeliosThe Secretary,  
Helios Heavy Electrical Engineering,  
Contracting Co. Pty. Ltd.,  
197 Victoria Avenue,  
CHATSWOOD.5th July,  
1956.

10

Dear Sir,

In terms of your requisition dated 2nd instant I have been pleased to cable the sum of Belg. Fcs. 6964222 to Banque de la Societe Generale de Belgique, Charleroi for payment to A.C.E.C. Charleroi, Belgium.

20

Cheque for £62967.12.- covered part of Australian equivalent of Belg. Fcs. converted at 110.12 to £Australian. Balance - £274.10.4d., and cost of the cable - £2. - have been debited to your Company's account here.

Yours faithfully,

for the Manager.

---

Defendants  
(Appellants)  
Exhibits

TRANSLATION

HELIOS CO. PTY LTD.

Exhibit '4'  
(continued)

Your Ref:  
VEX.OIP.GY

6/7/56.

Translation  
Letter -  
Helios to  
Guillery

A.C.E.C.

Dear Mr. Guillery,

6th July,  
1956.

Accounts: Australian Clients.

I have just received your letter of 31st July. The reason why some payments have not been made is that in certain cases the clients are not yet in agreement with price variations. As a result, they are withholding not only payments due to you but also our customs expenses which exceed £10,000. For instance, we have already paid drafts relating to variations on contracts 652 and 651 although the client has not yet paid us some £6,000.

10

We do not agree that the value of material supplied against my debit account should be deducted from our commission account. We will settle our debit account immediately we are reimbursed by the clients in respect of payments we have made to A.C.E.C. against large contracts such as 652, 487, N.R.C.C., etc.

20

We are doing the best we can, but we cannot force government organisations to comply with our requests.

Yours.....

T.I. Guler.

---

TIG/EMB/4512

27th July, 1956

84/40006

Snowy Mountains Hydro Electric Authority,  
85 O'Riordan Street,  
ALEXANDRIA.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Dear Sir,

ATTENTION MR. SMITH  
PROGRESS PAYMENTS-40006

Letter,  
Helios to  
S.M.H.E.A.

27th July 1956

10

We wish to state that we sent to A.C.E.C. 6964222 Francs against your cheque for £62180. The exchange rate at the date of transfer on 2/7/56 was 110.12 and we were obliged to pay £63,242/2/4.

It means that we would be pleased to receive a payment of £1,062/1/4 to cover the amount in the exchange variation.

Please find enclosed the Bank's letter of 5/7/56.

Thanking you, we remain,

Yours faithfully,

20

T.I.GULER

A. C. E. C.  
ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI  
BY AIRMAIL

Letter,  
A.C.E.C. to  
Helios

CD

H E L I O S  
197 Victoria Avenue,  
CHATSWOOD N.S.W.  
Australie.

19th September  
1956

VEX/OIP/Mi/2/SH I 92259  
No.737

19th September 1956

30

Re: SNOWY MOUNTAINS  
FILLING OIL for the 7 - 56 MVA 330kV  
TRANSFORMERS

Dear Sirs,

With further reference to the correspondence exchanged between yourselves and us, and after having tested the samples submitted to us by the



Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C. to  
Helios  
(continued)

19th September  
1956

various oil suppliers we have contacted, we beg to let you know that, for the filling of the transformers under reference, we have chosen the oil so called "Golden Fleece Transformer oil B.S.S.148/1951".

We prefer the quality "Passivated" which costs about 2.5% above the quality "Type D", because the results of the tests are better on the "Passivated" quality oil. Nevertheless if our customer, for reasons of uniformity in his stocks of oil, would require us to supply him with "type D" oil, then of course, we shall proceed accordingly. 10

According to the terms of your letter TIG/TH 3880 dated last April 2nd 1956, we want you to order yourselves with H.C. Sleigh Company the herebelow stated quantities. The prices will, of course, be those given in Sleigh Company's tender, with an eventual increase of 2.5% but, for the "Passivated" quality only. It remains on the other hand well understood that the 12.5% charges corresponding to the customs duties will not be applied to us, this condition is in fact one of the reasons for which we have chosen H.C. Sleigh as supplier. 20

In our letter No.556 010 dated July 20th 1955, we have drawn your attention on the fact that we absolutely wish to ship the transformers filled with oil. As only one part of this oil is necessary for the filling of the transformers, please, in your orders, specify the following delivery schedule:

- 1) 38 Metric tons (about 9 490 Imp.Gal.) to be supplied on 30/10/56 30
- 2) 19 " " { " 4 745 " " } " 30/ 1/57
- 3) 19 " " { " " " " } " 15/ 4/57
- 4) 19 " " { " " " " } " 30/ 6/57
- 5) 19 " " { " " " " } " 30/ 9/57
- 6) 19 " " { " " " " } " 30/12/57
- 7) 12 " " { " 3 000 " " } " 30/12/57

The 7 hereabove stated quantities are the ones which are to be supplied in our works in Charleroi, at the rates required, the oil being furnished in drums. 40

The remainder of the oil supply required, that is to say 7 times 7.5 metric tons plus 26.5 metric tons (spare oil), thus altogether 79 metric tons, are to be shipped direct from England to Australia.

For this second part of the supply, you should fix the delivery date according to the erection program of the transformers at site.

Looking forward to hearing from you, we remain, Dear Sirs,

Yours faithfully,

(Sgd.)

(Sgd.)

ENGINEER

EXPORT ZONE MANAGER.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C. to  
Helios  
(continued)

19th September  
1956

10 ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI  
PG. BY AIR MAIL

Letter,  
A.C.E.C. to  
Helios

29th November  
1956

HELIOS HEAVY ELECTRICAL  
ENGINEERING CONTRACTING CO.,  
197, Victoria Avenue,  
CHATSWOOD, N.S.W.  
(Australia)

VEX/OIP/MI/2/SH I.92 259 TIG/EMB/4397  
No.846 November 29th, 1956

20 RE: CONTRACT 40 006 - 7 - 56 MVA TRANSFORMERS  
SNOWY MOUNTAINS HYDRO ELECTRIC AUTHORITY

Dear Sirs,

With further reference to the above mentioned matter and in particular to your letter reference as above, we would like to remind you of our answering letter No.501 922 dated July 26th, 1956, letter by which we thanked you for your sending to us of a copy in draft form of Contract 40 006.

30 By the same letter, we also asked you to be so kind as to supply us with a second copy of this draft of contract 40 006.

We do not, up to now, appear having received this additional copy and we consequently again wish to require you of supplying us with the second copy required previously by our herein mentioned letter.

Looking forward to hearing from you and thanking you beforehand, we remain, Dear Sirs,

Yours faithfully,

ENGINEER.

EXPORT ZONE MANAGER.

Defendants  
(Appellants)  
Exhibits

TELEGRAMME

=LT = VENTACEC CHARLEROI

Exhibit 4  
(continued)

SYDNEY LNGO441 29 6 1056 VIA B IMP

Cable,  
Helios to  
A.C.E.C.

DEMIERBE LEFT FOR HONOLULU STOP GENERATORS FOR T2  
CANNOT EXTEND STOP 40006 RECEIVED AUTHORITY TO  
PURCHASE OIL FROM SNOWY SHALL PLACE ORDER WITHIN  
ONE WEEK ISTURK

6th December  
1956

Letter,  
Helios to  
A.C.E.C.

TIG/EMB

VEV/OIP/SY

7th December, 1956

7th December  
1956

/40006 515851 No.846

10

A.C.E.C.,  
Charleroi,  
BELGIUM.

Dear Sir,

CONTRACT 40006 - 7 x 56 MVA TRANSFORMERS

With reference to your letter of the 27th  
November we have pleasure in enclosing a copy of the  
draft of Contract 40006.

Thanking you, we remain,

Yours faithfully,

20

T.I. GULER

ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI  
HC

Defendants  
(Appellants)  
Exhibits

H E L I O S  
197, Victoria Avenue,  
CHATSWOOD (N.S.W.)  
(AUSTRALIE)

Exhibit 4  
(continued)

VEX/OIP/MI/2/BRU/No.888  
I.92 259

TIG/EMB/5207  
January 2nd 1957

Letter,  
A.C.E.C. to  
Helios

10 518976  
RE: CONTRACT 40 006 - TRANSFORMER OIL

2nd January  
1957

Dear Sirs,

The contents of the Authority's letter dated  
23rd November has been duly transmitted to our works.

The services of the latter are thus noting that  
the oil to be used will be of type D which is  
assumed to be the standard oil from RAVEN OIL COMPANY  
Ltd.

We are also possessed of your cablegram of 6th  
December 1956:

20 "40 006 RECEIVED AUTHORITY TO PURCHASE OIL FROM SNOWY  
SHALL PLACE ORDER WITHIN ONE WEEK".

We would be obliged to you if you would be so  
kind as to let us know the development of your  
purchasing program in connection with the  
instructions given per our letter No.737 of 19th  
September 1956.

We remain, Dear Sirs,

Yours faithfully,

(Sgd.)

(Sgd.)

30 ENGINEER

EXPORT ZONE MANAGER

---

Defendants  
(Appellants)  
Exhibits

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY

85 O'RIORDAN STREET,  
ALEXANDRIA, N.S.W.

Exhibit 4  
(continued)

AE965

10th January, 1957

Letter,  
S.M.H.E.A.  
to Helios  
10th January  
1957

The Manager,  
Helios,  
Heavy Electrical Engineering Contracting Co.Pty.Ltd.,  
197 Victoria Avenue,  
CHATSWOOD, N.S.W.

Dear Sir,

10

CONTRACT 40,006 -  
TRANSFORMERS FOR T1 POWER STATION

Regarding the shipment of material under the above Contract, our requirements for "Delivery Advices" and "Packing Markings" and our proposals for invoice submissions are set out below.

(1) Delivery Advices

Your attention is drawn to Clause 7 of the Contract requiring you to provide for each shipment, 5 copies of packing specifications, giving for each package the following information:- 20

- (a) Number and concise description of the contents of the package, sufficient to enable all parts to be identified.
- (b) Overall dimensions (in British units).
- (c) gross weight (in British units).
- (d) Identity number.

In addition to the above information, you are requested also to mark on the packing specifications, which transformer the material is intended for. 30

The package numbers referred to under item (d) above should be in consecutive sequence starting from 1, throughout the entire Contract.

The packing specification shall be airmailed not later than the date of shipment of the subject material from overseas port of supply. Upon arrival

in Sydney and transfer of material to rail trucks for transport to Cooma, you are requested to advise the Electrical Procurement Engineer (Mr.L.G.Taylor-Cannon) by telephone, on the day of loading, of the rail truck numbers and the package numbers in each truck.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

(2) Packing Markings

Letter,  
S.M.H.E.A.

10 The packages shall be marked in accordance with Clause 20.7.2 of the Contract, together with the package identity number referred to in paragraph(1) above.

to Helios  
(continued)  
10th January  
1957

(3) Invoices

A sample of the form to be used when submitting invoices for shipment and/or delivery is attached hereto and commented on as follows:-

- (i) Clause 7 of the Contract requires submission of three copies of all invoices supplied, two of which are to be typed on the Authority's Standard Claim Form.
- 20 (ii) The Claim Forms shall be numbered consecutively in accordance with the procedure already being followed by you for progress payments.
- (iii) The total Contract value per transformer as covered by item (a) of the sample, shall be one seventh of items 2(a), (b), (c) of Schedule VII, Section (i), together with one seventh of the F.O.B. value of all Variation Orders to the date of claim, but shall not include spare equipment, tools, appliances and tackle or Variation Orders concerning these items.
- 30 (iv) The 20% of F.O.B. covered by item (c) is the difference between the 80% F.O.B. due on shipment and the 60% already covered by progress payments. In making the final shipping payment on any one transformer this shall be calculated by taking the transformer 80% F.O.B. Contract value and deducting all previous payments made against that transformer.
- 40

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
S.M.H.E.A.  
to Helios  
(continued)  
10th January  
1957

(v) The amounts covered by items (d), (e) and (f) of the sample are net Contract values and are taken in the ratio of the F.O.B. value of the particular claim to the total F.O.B. Contract value. Any necessary reconciliation of these values would be made when making the last delivery payment on any one transformer.

(vi) In accordance with present practice, any necessary exchange adjustment will be covered by a separate claim submitted subsequent to the transfer of the money overseas. To assist in the checking of these exchange adjustment claims, the portion of the total claim to be transmitted overseas is entered under item (g). 10

The Claim Form sample as proposed and discussed above, caters for a Contract value claim covering shipment and delivery of equipment to site.

Spare equipment, tools, appliances and tackle shall be invoiced separately and for these items, payment will be made in full on delivery in good order and condition to Cooma. 20

The remarks in this letter relating to invoice procedures apply, with the exception of exchange adjustment, to net Contract values and do not cater for any rise and fall adjustments. Any such adjustments shall be submitted on separate invoices as follows:-

(vii) Rise and Fall in the F.O.B. Contract Value. 30

In accordance with the formula detailed in Clause 18 of the Contract.

(viii) Rise and Fall in Marine Freight, Insurance and Transport in Australia.

The Contract amounts set out in Schedule VII, Section (ii), together with all Variation Orders shall be varied due to changes in basic freight, insurance and transport rates from those nominated in Schedule VII, Section (ii). All such variations are to be substantiated by supporting documents. 40

Your compliance with our requirements as detailed under paragraphs (1) and (2) of this letter will be appreciated and your comments on the proposed invoice procedure are invited.

It is noted, following discussions with your Mr. Guler on 7th January, 1957, that you do not propose to submit your claims for final shipping payment on each transformer until the transformer has been landed and cleared through Customs in Sydney.

10

Yours faithfully,

(Sgd.) J. C. CALLINAN

J.C.Callinan,  
Chief Electrical and Mechanical  
Engineer.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
S.M.H.E.A.  
to Helios  
(continued)

10th January  
1957



Defendants  
(Appellants)  
Exhibits

The following photo-copy has been  
allocated page number 676.

Exhibit 4  
(continued)

Enclosure with  
Letter S.M.H.  
E.A. to Helios.

10th January  
1957.

**SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY**  
COOMA, N.S.W.

S.M. Form No. \_\_\_\_\_

Head Office

Registration No. \_\_\_\_\_ Consecutive No. \_\_\_\_\_

Local Office

Voucher No. \_\_\_\_\_ / \_\_\_\_\_

Date Received \_\_\_\_\_

CLAIMANT \_\_\_\_\_  
(Block Letters)

ADDRESS TO WHICH CHECKQUE IS TO BE FORWARDED \_\_\_\_\_ Claimant's Reference No. \_\_\_\_\_

TO BE SUBMITTED IN DUPLICATE BY CLAIMANT.

L.O. NO.	L.O.V. No.	CREDITOR CODE NO.	TREASURY CLASSIFICATION	NAME OF ACCOUNT OR WORK (S.M.H.E.A. USE ONLY)	WORK ORDER OR GENERAL SERVICE ACCOUNT No.	CODE No.			AMOUNT		
						ACCOUNT	WORK ORDER	N. OF Y.	£	S.	D.

DATE OF SUPPLY OR PERIOD OF SERVICE 19.....	ORDER NO.	FOLIO AND ITEM NO. IN CONTRACT	PARTICULARS	RATE	AMOUNT		
					£	S.	D.
	CONTRACT 40,006		Delivered Goods Consigned to _____ Claim No. _____ (a) Total f.o.b. c/v per transformer ..... Belg. Fr. (b) Declared f.o.b. value of packages covered by this claim ..... Belg. Fr. (c) 20% of (b) ..... Belg. Fr. Equivalent at Contract Exchange rate of 112 Belg. Fr. = £1A ..... (d) Marine Freight - c/v per machine x <u>b</u> ..... Belg. Fr. a Equivalent at Contract rate ..... (e) Insurance to Site - c/v per machine x <u>b</u> ..... Belg. Fr. a Equivalent at Contract exchange rate ..... (f) Transport in Australia - c/v per machine x <u>b</u> ..... a (g) Portion of total claim to be remitted to Belgium ..... Belg. Fr.				

DATE GOODS RECEIVED \_\_\_\_\_

G. R. N. No. \_\_\_\_\_

G. R. N. INITIALS \_\_\_\_\_

V. D. B. FOLIO \_\_\_\_\_

CHECKED L.O. BY \_\_\_\_\_

I certify that this account is correct as regards computations, castings and rates charged and the faithful performance of the service. £

Certified at \_\_\_\_\_ Pounds

Shillings \_\_\_\_\_ Pence.

Officer incurring Expense.

I certify to the accuracy of this Account and the accounts chargeable and that it is covered by the proper authority.  
Examining Officer.

I certify that this Account is correct within the meaning of Section 34 of the Audit Act, 1901-1934.  
Certifying Officer.

Received on the \_\_\_\_\_ day of \_\_\_\_\_ 19..... the sum of \_\_\_\_\_  
Pounds \_\_\_\_\_ Shillings \_\_\_\_\_ Pence

Witness: \_\_\_\_\_ Signature: \_\_\_\_\_

CHEQUE NO. \_\_\_\_\_

TIG/TH/5419

17th January, 1957

The Manager,  
H.C.Sleigh, Ltd.,  
115 York Street,  
SYDNEY.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Dear Sir:

ATTENTION MR. HARRAP.

Letter,  
Helios to  
H.C.Sleigh  
Limited

17th January  
1957

10 This is to confirm that we are placing with  
you an order for the supply of RAVEN Transformer  
Oil "D".

Deliveries to Belgium at Charleroi Rail Yard  
have to be effected in Tank Cars and not in 44  
gallon drums. Your quote of the 7th December is  
being accepted - £Stg. 54/15/10 ton. If any price  
increases do occur when confirming this order,  
please notify us in order that we may issue a  
Change Order.

20 An important quantity has to be delivered at  
Sydney and loaded on our road trucks at 6/7d. per  
gallon Australian Currency. Kindly advise price  
variations which may have occurred between 7th  
December and today, in order that we may issue a  
Change Order.

SCHEDULE OF DELIVERIES.

At Charleroi:- Kindly ask your principals to contact  
A.C.E.C. in order to reach an agree-  
ment on the dates.

Tons Metric

38	9490	gallons	-	immediately
19	4745	"		30/ 1/57
19	4745	"		15/ 4/57
19	4745	"		30/ 6/57
19	4745	"		30/ 9/57
19	4745	"		30/12/57
12	3000	"		30/12/57
<u>145</u>	<u>36215</u>	"		

tons

DELIVERY IN AUSTRALIA.

40	May-June 1957	-	30 tons
	December 1957	-	49 "
	TOTAL		<u>79 tons (Metric)</u>

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
Helios to  
H.C.Sleigh  
Limited  
(continued)

17th January  
1957

We are happy to express our satisfaction of the services of Mr. Harrap, whose good and consistent intentions to give satisfactory services, have influenced us in placing the order with your Company for about 224 tons of Transformer Oil.

PAYMENT.

In Australian Currency to you in Sydney against Letter of Credit and 30 days terms.

Thanking you, we are,

Yours faithfully,

10

T.I.GULER.

Letter,  
H.C.Sleigh  
Limited to  
Helios

17th January  
1957

H. C. SLEIGH LIMITED  
Petroleum Department

115 YORK STREET  
SYDNEY  
AUSTRALIA

JWH.DH

17th January, 1957

The Director,  
T.I.Guler, Esq.,  
Helios Heavy Electrical Engineering  
Contracting Co. Pty. Ltd.,  
Victoria Avenue,  
CHATSWOOD. N.S.W.

20

Dear Sir,

We gratefully acknowledge receipt of your valued order of the 17th instant and, in order that we may have perfect clarity on price structure, we have referred confirmation of the price to our Head Office.

30

You will recall that we advised you of a price increase in drum deliveries to Antwerp on the 10th December and part of this increase will undoubtedly apply to tank car deliveries also. We shall advise you of the increase, if any, immediately our Head Office has cabled confirmation from our Principals.

Again thanking you, We are,

Yours faithfully,  
H. C. SLEIGH LIMITED

(Sgd.) for Manager,  
INDUSTRIAL & TECHNICAL DIVISION.

40

TIG/EMB/544/

VEX/OIP/GY

24th January, 1957

144/40006

Defendants  
(Appellants)  
Exhibits

A.C.E.C.,  
Charleroi,  
BELGIUM.

Exhibit 4  
(continued)

Dear Sirs:

CONTRACT 40006

Letter,  
Helios to  
A.C.E.C.

24th January  
1957

10

This is to advise you that we have placed an order with H.C. SLEIGH LIMITED for the supply of oil as stated in your letter of the 19th September, 1956, No. 737.

The quantities for Items 1 and 2, on your page No.2, will be delivered to you by RAVEN OIL CO. as soon as possible subject to more detailed instructions by yourselves.

Items 3 to 7 will be delivered in accordance with your schedule for dates and quantities.

20

All payments for oil will be made from Australia and the oil will be delivered in waggon railway tank cars as the delivery in drums could not be effected economically within the limits of the tender price.

Kindly contact RAVEN OIL CO. for further delivery instructions.

Thanking you, we remain,

Yours faithfully,

T.I. GULER.

---

Defendants  
(Appellants)  
Exhibits

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY

85 O'RIORDAN STREET  
ALEXANDRIA, N.S.W.

Exhibit 4  
(continued)

AE.965

31st January, 1957.

Letter,  
S.M.H.E.A.  
to Helios  
31st January  
1957

Messrs. Helios Heavy Electrical Engineering  
Contracting Co. Pty. Ltd.,  
197, Victoria Avenue,  
CHATSWOOD, N.S.W.

Dear Sirs,

Transformers for T1 Power Station -  
Contract 40,006

10

Further reference is made to the shipment of 330kV transformers filled with oil instead of dry gas, and to the resulting price variation as submitted in your quotations dated 12th December, 1956 and 17th January, 1957.

In respect of your revised quotation of 17th January, it is noted that this has been submitted, as requested, on the basis of tendered figures, it still however does not appear to present the correct price adjustment, and the following revised figures are considered to be more appropriate. 20

(a) Oil Supplied in Belgium

F.O.B. Antwerp	-	£A14,269. 0. 0
Insurance to site including 12 months storage	-	210. 0. 0
Insurance during erection	-	<u>60. 0. 0</u>
Total	-	£ 14,539. 0. 0

The above figures are as stated in your tender and cover the cost to site excluding marine and rail freight, and duty charges, for a total oil quantity of 52,000 gallons. 30

On the above basis the cost per gallon of oil supplied in Belgium is therefore:-

$$\frac{14539}{52000} = \text{£A.}2795961$$

i.e. 5/7 per gallon.

The amount of £A14539 above differs from the corresponding figure of £16323 in your letter of 17th January, due to the omission of £1784.0.0 for duty, and the substitution of £210.0.0. for Insurance to site as against the figure of £230 used in your letter.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

The duty has been omitted as you have stated in your letter of 24th December, 1954 that the oil would be imported duty free, and the figure in your tender for insurance tanks to site of £210.0.0 has been used rather than the amount of £230.0.0 insurance Sydney to site used in your letter of 17th January.

Letter,  
S.M.H.E.A.  
to Helios  
(continued)

31st January  
1957

(b) Oil Supplied in Australia

The price for Australian oil is 7/11½d. per gallon; being the price as already established under the Contract for Australian oil. It is noted that you have incorrectly given a figure of 7/9d. per gallon for this rate in your letter of 17th January.

(c) Total Oil Price

The total oil price for transformers shipped in oil may now be derived as follows:-

(i)	30,000 gallons from Belgium @ 5/7d. per gallon	8375. 0. 0
(ii)	22,000 gallons from Australia @ 7/11½d. per gallon	8754. 3. 4
(iii)	Increased price for transport C.I.F. Sydney due heavy lift, £900 per unit (Refer your letter dated 12/11/1956)	6300. 0. 0
(iv)	Increased rail charges Sydney to Cooma £300 per unit (Refer your letter dated 12/12/56)	<u>1500. 0. 0</u>
	<u>TOTAL</u>	<u>£24929. 3. 4</u>

The present Contract price covering shipment in dry gas includes an amount of £20,692. 0. 0. for

Defendants  
(Appellants)  
Exhibits

Australian oil, together with an amount of £630. 0. 0 for gas checking during transit. The increase in Contract value for shipping in oil is therefore:-

Exhibit 4  
(continued)

Less           £A. 24929. 3. 4  
                  £A. 21322. 0. 0

Letter,  
S.M.H.E.A.  
to Helios  
(continued)  
31st January  
1957

Total extra    £A. 3607. 3. 4

All the above amounts are based on the date of 14th December, 1954, and will be subject to variations in accordance with the terms of the Contract. The oil quantities would also be subject to a variation of  $\pm 10\%$  as nominated in your tender. 10

Subject to your agreement to the figure of £3607. 3. 4 above an official variation for this amount will be issued subsequent to the execution of the Contract documents.

Yours faithfully,

(Sgd.) J. C. CALLINAN

J.C.Callinan,  
Chief Electrical & Mechanical Engineer.

Letter,  
Helios to  
A.C.E.C.  
1st February  
1957

911

TIG/EMB/5464

VEX/OIP/GY

1st February, 1957

20

147/40006

A.C.E.C.,  
Charleroi,  
BELGIUM.

Dear Sirs,

CONTRACT 40006

We are enclosing a copy of a letter which we have received from the Snowy Mountains Hydro-Electric Authority regarding "Delivery Advices" and "Packing Markings" and "Invoices", which is self-explanatory. 30

Thanking you, we remain,

Yours faithfully,

T.I.GULER.



TRANSLATION COPY LETTER FROM MESSIEUR HAESAERTS TO  
MESSIEUR CHEVALIER DATED THE 11TH DAY OF FEBRUARY  
1957

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Translation  
Copy letter  
Haesaerts  
to Chevalier  
11th February  
1957

10 "In the course of my visit to the directors of  
the Snowy we managed to satisfy some of their  
complaints due to the fact that certain of their  
letters had remained without reply. I advised the  
Export Department by cable and asked them to reply  
to all the letters which had been referred to in  
numerous letters in the course of the last month  
from our representative in Australia, Mr. Guler.

20 I noticed once again that the latter was  
safeguarding our interests and doing his best not  
only as regards the Snowy but also in connection  
with other Electricity Commissions with a view to  
removing obstacles and straightening out difficul-  
ties. If he is sometimes unpleasant in his  
recriminations with A.C.E.C. I owe it to the truth  
to say that he always takes our defence when  
dealing with clients. One must bear in mind,  
however, that the director and engineers of these  
organisations, particularly those of the Snowy are  
sometimes very difficult and it sometimes happens  
that the arguments used by Mr. Guler have no  
effect. Consequently in order that our standing  
in Australia might not deteriorate further I  
would ask you to please issue instructions to the  
effect that all future contentious matters be  
30 examined and resolved rapidly taking into account  
the right of the client.

40 We have been informed officially that Mr.  
Merrigan, Chairman, and Mr. Frost, Chief Engineer  
of the Snowy, are preparing to leave for Europe.  
Mr. Merrigan left Australia on the 9th instant.  
Mr. Frost will leave on the 6th of March. They  
intend to visit A.C.E.C. together on the 18th  
March. Mr. Frost will pay a second visit to  
A.C.E.C. in the course of April to be present  
during tests to be carried out on the transformer  
fitted with the cable box.

Mr. Callinan drew my attention to the  
importance of these visits and, in particular, the  
character and fastidious nature of Mr. Merrigan.  
He told me "Don't try to put anything over him".

Defendants  
(Appellants)  
Exhibits

For your information these are the subjects which Messieurs Merrigan and Frost intend to raise during their visit to A.C.E.C.

Exhibit 4  
(continued)

Translation  
Copy letter  
Haesaerts  
to Chevalier  
(continued)  
11th February  
1957

- 1) Ensure that the delays in delivery would be adhered to. They attach a great deal of importance to this point.
- 2) Determine the reason why transformer No.1 was dismantled.
- 3) Examine in detail the cable box and the material supplied by Perelli.
- 4) Establish a programme of tests on transformer No.3 fitted with a cable box. Mr. Frost intends to be present at these tests in April.
- 5) Finalise all outstanding questions.

10

In conclusion I would like to inform you that you will be receiving shortly specifications for transformers of 50 K.V.A. 330 kV for Tumut too.

The characteristics of these transformers differ very slightly from those of transformers at present under manufacture for T1 and it might be appropriate, from the price angle, to offer as an alternative transformers identical to those supplied for Tumut 1.

20

Yours faithfully,  
(Sgd.) J.M. HAESAERTS."

---

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY

85 O'RIORDAN STREET,  
ALEXANDRIA, N.S.W.

22nd February, 1957.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

FS:YMc.  
AE.965

Ateliers De Constructions  
Electriques De Charleroi,  
C/- Helios Pty. Limited,  
197 Victoria Avenue,  
CHATSWOOD. N.S.W.

Letter,  
S.M.H.E.A.  
to A.C.E.C.

22nd February  
1957

10

Dear Sirs,

Seven - 56 MVA. Transformers Contract 40,006

Referring to your Agent's letter dated 3rd  
November, 1956 I now forward herewith two copies of  
grossment of contract document for execution.

The formal execution by your Company should  
appear in the blank space on the second page of the  
Agreement marked with the letter "A".

20

The usual Certificates must be endorsed on or  
annexed to the Agreement to prove:-

- (i) That the document has been properly executed;  
and
- (ii) That the agreement is within the corporate powers  
of your Company.

The Document is identical with the one which was  
submitted to your Agents for your approval on 9th  
July, 1956 save for the following amendments:-

30

- (a) The words "the following amounts" have been  
inserted at the end of the first paragraph of  
Clause S.7 at the foot of page 24 of the  
document;
- (b) Schedule II - DELIVERY - of the Tender documents  
is now Schedule IV of the Contract document.

The words "Date of Tender" have been omitted  
from the main heading to Columns (2) and (3)

Defendants  
(Appellants)  
Exhibits

of this Schedule and the words "date of commencement of Contract" have been inserted in lieu thereof.

Exhibit 4  
(continued)

When the executed documents have been returned to me I will arrange for the same to be executed under the official Seal of the Authority and one copy will be forwarded to you.

Letter,  
S.M.H.E.A.  
to A.C.E.C.  
(continued)

Yours faithfully,

22nd February  
1957

A.J.DAFFY.  
Business Manager.

10

Letter,  
A.C.E.C.  
to Helios  
21st March  
1957

AM.

BY AIRMAIL

1722  
528049

HELIOS,  
197, Victoria Avenue,  
CHATSWOOD  
(New South Wales)

VEX/OIP/MI/2/BRU/I 92 259  
No.975

21st March 1957

Dear Sirs,

We beg to acknowledge with thanks, receipt of your cable reading as follows:-

20

"CONFIDENTIAL SNOWY 40 006 DELICATE SITUATION ARISEN FOLLOWING FROST MERIGAN VISIT STOP IN YOUR DEALINGS WITH THEM PLEASE ALWAYS BEAR IN MIND CALLINAN IS ENGINEER FOR CONTRACT AND ALL MATTERS TO BE DEALT WITH IN NORMAL WAY THROUGH US"

We quite understand Mr. CALLINAN's position and that is why we cabled on last 16th as per attached copy to inform you that a report would be made for Mr. CALLINAN.

We are thus annexing to the present letter a memorandum which will outline the main arrangements already taken or to be readily proceeded with following Mr. MERRICAN and Mr. FROST's visit of last 12th March.

30

It is hoped that this information will facilitate Mr. CALLINAN's action regarding his rights as the "Engineer" of the contract.

It is of course regretted that some matters have not been solved in a much shorter time but we feel that we have done out utmost under the prevailing conditions raised either by the Authority or by our works. We are hoping that these matters may now be regarded as developing satisfactorily both from the point of view of Mr. FROST and of Mr. CALLINAN.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter, A.C.E.C.  
to Helios  
(continued)

21st March 1957

We remain, dear Sirs,

Yours faithfully,

10

ENGINEER.

EXPORT ZONE MANAGER.

Annex: Memorandum: Position of the various problems on the 20th March

- copy of our letter of today to Mr. FROST
- copy of our cable of 16th March to HELIOS
- copy of our letter of today to Dr. WILLHEIM

I  
21st March 1957

Enclosure with  
letter, A.C.E.C.  
to Helios

21st March 1957

SNOWY MOUNTAINS HYDRO ELECTRIC AUTHORITY  
 CONTRACT 40 006 - SEVEN 56 MVA SINGLE PHASE  
 TRANSFORMERS  
 POSITION OF THE VARIOUS MAIN PROBLEMS ON THE  
20/3.1957

20

1. Dismantling of unit No. 7

This question has been clarified on last 12th March on Mr. MERRIGAN and Mr. FROST's visit. All explanations were given by Mr. CHEVALIER personally and a report of same was sent on the 16th to Mr. MERRIGAN and Mr. FROST in LONDON and copies to the Lloyd's and to HELIOS for the Authority. A further copy is being handed in to Dr. WILHEIM.

30

The inspection of the winding of No. 7 and the checking of its conformity to initial drawings and to the windings of the other units is being taken up by Mr. ZELIS, Lloyd's surveyor.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Enclosure  
with letter,  
A.C.E.C. to  
Helios(Contd.)

21st March  
1957

It is deemed that the various points and propositions of Mr. CHEVALIER's report are accepted in principle and that the Authority will confirm the official acknowledgement and approval.

2. Progress of manufacture of the transformers and testing program

Subject to final approval of the Authority, the winding of unit No. 7 will become the spare winding and is now ready for inspection and delivery.

Transformer No.1 will be submitted to the electrical tests for acceptance in Dr. WILHEIM's presence on next Monday 25th. Eventually Mr. FROST will also be present to these tests.

10

Transformer No.2 will be submitted to the electrical tests for acceptance in Dr. Wilhelm's presence about 3 weeks thereafter.

Transformer No.3 will then follow as soon as the cable box will be completed and the acceptance test will be made on the transformer equipped with its cable box.

20

Transformer No.4 is under construction and will be completed and ready for acceptance tests within a few months.

It is arranged with Dr. WILHEIM and Mr. FROST that the temporary Micanite through bushing together with the provisional cable box and 330 kV Micanite open bushing will be considered as valid for the acceptance tests to be carried out on units Nos.1 and 2. The final through-bushing is expected to be ready for acceptance tests of the transformer No.3. The position regarding the HV cable box is commented in the following paragraph.

30

3. H.V. Disconnecting Chamber

The outline dimensions required by ACEC in the plan view in accordance with the figures quoted in the tender are now firmly adhered to by Messrs. PIRELLI.

Further decisions and agreements will be taken next Wednesday 27th at a meeting between PIRELLI and

ACEC delegates in the presence of Mr. FROST. It is expected that final instructions will derive from this meeting and will enable to start definitely the execution of the cable box and its accessories. After completion of same checking must be carried out in CHARLEROI in connection with the adjustment and fixation to the transformer tank; other checkings will take place in ENGLAND to make sure that the device will comply in every respects with the requirements imposed to the cable contractor.

10

#### 4. Lifting beam

This matter has been dealt with in our letter 527 482 of March 18th and our position is according to the option afforded to the Authority to decide between two arrangements.

- a) drawing 3 089 041 (initial proposition according to which two beams are now executed)
- b) drawing 4 492 165 : last proposition providing a third beam meeting the lifting height of 23'5" against an extra price of 60 000 Belgian Francs.

20

#### 5. Thermal indicator

This matter is being reconsidered by our transformer division; documents and descriptions will be sent to you in the very next days for approval and will also be shown to Mr. FROST.

#### 6. Drawings

We have sent to HELIOS on the 20th a complete set of drawings put in order; this set was simultaneously forwarded to Mr. FROST with the accompanying letter of which a copy is hereto attached; this letter gives answer to the points raised by HELIOS letters TIG/TH/5540 of 15th February 1957. Two more copies of drawings 1 081 910a (inside details), 2 085 322 (oil external circuit) and 4 492 169 (auxiliary valve) are sent today to HELIOS.

30

#### 7. Invoices, advice notes, marking of the cases, shipping formalities etc. ...

The authority's letter dated 10th January has been passed on to our competent service and all its

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Enclosure  
with letter,  
A.C.E.C. to  
Helios  
(continued)

21st March  
1957

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Enclosure  
with letter,  
A.C.E.C. to  
Helios  
(continued)

21st March  
1957

points are agreed in principle. These matters will be answered in detail in a next mail.

8. Execution of contract - Draft of contract -  
Variation of contract

We wish to acknowledge due receipt of your cable of 12th instant reading as follows:

"PLEASE AMEND POWER OF ATTORNEY FOR CONTRACT 40 006  
SNOWY PREVIOUSLY OF HELIOS COMPANY TO T.I.GULER  
SEND US NEW ATTORNEY EARLIEST CONVENIENCE ISTURK"

This question has been raised by Mr. FROST on last 12th March and the new power of Attorney is now under preparation and will be the subject of a next letter. No difficulty seems to appear in this connection.

10

Regarding the draft of contract our comments will be sent very soon so as to enable the Authority to examine same prior to the final execution of the Contract.

We understand that all the remarks we have to raise in respect of events having originated after the date of commencement of the contract i.e. July 27th 1955 will concern a separate contractual document entitled "Variations of Order"

20

9. Through-Bushing - 330 kV of MICANITE Make

Your letter No. 5551/TIG/TH of 15th February has been put to the attention of the transformer Division Director and will be dealt with in a separate letter. From further contacts our works have had with Messrs. MICANITE in respect of the puncture/flashover voltage we are confident that this matter can be arranged in a satisfactory manner as, according to Dr. WILHEIM's statement we may count on a favourable attitude of the Authority towards our explanations.

30



H. C. SLEIGH LIMITED  
 PETROLEUM DEPARTMENT

115 YORK STREET  
 SYDNEY  
 AUSTRALIA

JWH.DH

1st April, 1957

Defendants  
 (Appellants)  
 Exhibits

Exhibit 4  
 (continued)

Letter,  
 H.C.Sleigh  
 Limited to  
 Helios

1st April 1957

The Director,  
 T.I.Guler, Esq.,  
 Helios Heavy Electrical Engineering  
 Contracting Co.Pty. Ltd.,  
 197 Victoria Avenue,  
CHATSWOOD.      N.S.W.

10

Dear Sir,

Further to our letter of 14th February, 1957,  
 in which we quoted you £58/10/10 sterling per long  
 ton for delivery of Type D Transformer Oil BSS.148/51  
 delivered in rail tank cars to Charleroi and our  
 request for a change-order confirming this price in  
 compliance with instructions in your official order  
 17th January, 1957, reference TIG/TH/5419, this  
 confirmation has not yet been forthcoming.

20

We are pleased to advise that we have now  
 delivered or shipped a total of 14,235 gallons  
 contained in 309 drums and attach hereto copy of  
 letter from A.C.E.C. to Raven Oil Company. You will  
 see that A.C.E.C. have elected to take delivery in  
 drums instead of rail tank cars as originally  
 ordered by you. To these 309 drums, we have  
 applied the price of £61.19.6 sterling per long  
 ton c.i.f. Antwerp, which we quoted you in our  
 letter of 10th December, 1956. However, due to  
 these further delays between the time we received  
 your official order of 17th January and the receipt  
 of final instructions from A.C.E.C. dated 8th March,  
 there have been further increases in overseas costs,  
 which will amount to 1.1d. sterling per Imperial  
 gallon, which is equivalent to £1.3.3 sterling per  
 long ton based on Specific Gravity of 0.884.

30

We should appreciate receipt from you of a  
 change-order confirming delivery of Type D Transformer  
 Oil in rail tank cars Charleroi - £59.14.1 sterling  
 per long ton - and in drums c.i.f. Antwerp -  
 £63.2.9 sterling per long ton.

40

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
H.C.Sleigh  
Limited to  
Helios  
(continued)  
1st April 1957

You will note on Page 2 of the attached copy of letter from A.C.E.C. to Raven Oil Company, they have asked us to answer three questions. 1) and 2) have been answered by Raven Oil Company. 3) has been answered by us pointing out that we were suppliers to the Snowy Mountains Authority during 1952, 1953 and 1954 and that we had further been requested by them to confirm that this Transformer Oil was of naphthenic base crude. This has been acknowledged by the Snowy Mountains Hydro-Electric Authority. As a matter of course and record, we must ask you whether S.M.H.E.A. are aware that the Transformer Oil you are supplying them with is Golden Fleece Tramor Transformer Oil BSS.148/51 and that it is acceptable.

10

Raven Oil Company have also raised the question of drum disposal. As officially you are the purchaser, of this oil, the drums therefore belong to you. We are advised that there is a very good market for second-hand drums in Belgium and we should appreciate your advice and instructions on whether you desire us to dispose of these drums on your behalf or whether you prefer to leave disposal of the drums in the hands of your principals, A.C.E.C.

20

Yours faithfully,  
H. C. SLEIGH LIMITED.

(Sgd.)

for Manager,  
INDUSTRIAL & TECHNICAL DIVISION.

Copy letter,  
A.C.E.C. to  
Raven Oil  
Co. Limited  
8th March 1957

COPY from A.C.E.C. To - RAVEN OIL COMPANY LTD., 30  
17 STRATTON STREET,  
PICCADILLY,  
LONDON, W.1.  
8th March, 1957

Re - 7 - 56 MVA Transformers - Contract 40 006 -  
Snowy Mountains Hydro-Electric Authority

Dear Sirs,

Reverting to your letter of the 21st January, 1957, and in accordance with the telephonic conversation of our engineer, Mr. BRUI with your Mr. POLLAK 40 concerning the supply of oil for the above transformers,

we wish to confirm you that this oil is to be supplied in drums instead of rail cars according to the quantities stated in the delivery schedule hereafter:

4745 Imp. gallons - during the last two weeks of this month.

4745 Imp. gallons - on the 31st instant.

4745 Imp. gallons - during the first fortnight of April.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Copy letter,  
A.C.E.C. to  
Raven Oil Co.  
Limited  
(continued)

8th March 1957

10           Regarding the last four units, we shall advise you in due time of the dates on which we would like to receive this oil.

Please note that the Bills of Lading should be made out to the order of ATRAMEF, Canal St. Pierre 1, ANTWERP, to which firm we will pass the necessary instructions for re-forwarding the goods to CHARLEROI.

We would be obliged to you if you could insure this oil up to CHARLEROI (warehouses to warehouses).

20           In order to allow us to conform to the formalities regarding the import licence, we would also like to receive from you, for each shipment, a P.F. invoice in duplicate giving the quantity, the number and the contents of drums, the total gross and net weights and the total value.

We also require a certificate that the oil complies with the British Specification BS-148/1951 and Amendments and also a certificate of origin. These above certificates are to be legalized.

30           In order to meet the exacting requirements of our customer, we need, by return airmail, your certification and confirmation about the following points:

- 1) The oil to be supplied is a derivative of naphthene base-crude petroleum mainly composed of hydrocarbons of the naphthene series, mixed with hydrocarbons of the paraffin and aromatic series, these hydrocarbons being saturated. The propriety resulting from the predominance of the naphthene series hydrocarbons is a lower pour point.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Copy letter,  
A.C.E.C. to  
Raven Oil Co.  
Limited  
(continued)

8th March 1957

2) A short description of the refining process and the basic petroleum treatment is requested.

3) The Oil supplier will certify that he has a long experience and has concluded supply contracts of long duration in order to make sure that the quality of the oil obtained remains always constant.

Awaiting a prompt reply from you on this subject,  
we are, Dear Sirs,

Yours faithfully,

10

ENGINEER.

EXPORT ZONE MANAGER.

Letter,  
H.C.Sleigh  
Limited to  
Helios

4th April 1957

JWH.DH

H. C. SLEIGH LIMITED  
PETROLEUM DEPARTMENT

115 YORK STREET  
SYDNEY  
AUSTRALIA

4th April, 1957

The Director,  
T.I.Guler, Esq.,  
Helios Heavy Electrical Engineering  
Contracting Co. Pty. Ltd.,  
197 Victoria Avenue,  
CHATSWOOD.

20

Dear Sir,

We have for acknowledgment your letter of the 3rd April, 1957, reference T4/5749, confirming prices in our letter of the 14th February, 1957.

We wrote you on Monday, the 1st April, 1957, advising that Raven Oil Company had despatched to A.C.E.C. 309 drums Transformer Oil on a c.i.f. Antwerp basis. These were shipped per the s.s. "Ardetta".

30

As soon as we are in possession of Weight Notes, we shall invoice you at £61.19.6 sterling per long ton. In the meantime, we should appreciate your confirmation and acknowledgment of our letter of the 1st April on the price structure affecting

balance of shipment to A.C.E.C.

We shall await your valued instructions.

Yours faithfully,  
H. C. SLEIGH LIMITED.

(Sgd.)

for Manager,  
INDUSTRIAL & TECHNICAL DIVISION

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter, H.C.  
Sleigh Limited  
to Helios  
(continued)  
4th April 1957

PG

BY AIR MAIL

Letter,  
A.C.E.C. to  
Helios

HELIOS  
HEAVY ELECTRICAL ENGINEERING  
CONTRACTING Co.,  
197, Victoria Avenue,  
CHATSWOOD, N.S.W.  
(Australia)

9th April 1957

10

1356

VEX/OIP/MI/2/BRU I.92 260  
No. 997

April 9th, 1957

RE: SNOWY MOUNTAINS - DRAFT OF CONTRACT 40 006

Dear Sirs,

20

We are sending herewith the first part of our remarks concerning the "Draft of Contract" and specifically those remarks which are relative to our position within the period extending from the time of tendering until the date of commencement of the Contract i.e. the 27th July 1955, but not later.

The second part of our comments re the above subject will follow in the next days and will deal with observations taking into account discussions, problems and changes having occurred hitherto from the afore mentioned date of commencement.

30

Reverting to the first part, i.e. our comments hereto annexed, we wish to make it perfectly clear that:

- 1) any of our remarks made therein is to be duly submitted to the Authority prior to the execution and signature of the Contract.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C. to  
Helios  
(continued)

9th April 1957

2) ACEC's liability is only concerned with the said signed contract insofar that the latter is to be fulfilled in conjunction with the amendments and changements provided for by the "Variation of Order" the contents of which remains open for setting up and will be commented by the second part of our remarks.

The above points 1) and 2) must be inserted under clause 5 of the agreement page 1 of the draft of contract.

10

A copy of the present letter is sent to Mr.FROST for his information, together with a copy of the "Power of Attorney" and "Affidavit" already airmailed to you on the 5th instant.

We hope that our remarks will be found satisfactory and we are looking forward to hearing from you in this connection at your earliest opportunity.

Yours faithfully,

ENGINEER.

EXPORT ZONE MANAGER.

ANNEX: First part of ACEC's comments.

20

Enclosure  
with letter,  
A.C.E.C. to  
Helios

9th April 1957

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY  
DRAFT OF CONTRACT 40 006  
FIRST PART OF ACEC'S COMMENTS

S13(1), page 26:

ACEC considers that a reciprocal liability is set up by the outline drawings 2 084 544 and 2 084 537 which were included in the tender and upon which no objections were made at the time of commencing the manufacture.

S14 (3), page 27:

30

We propose to amend the wording of this clause as follows:

- (a) The contractor shall construct and test a model transformer for the purpose of checking the electromagnetic and electrical performance - Report of this test will be forwarded to the Authority.
- (b) The distribution and electrical stresses along the winding have been checked from an existing model transformer presenting a similar winding arrangement. The confidential results from the tests will be made available to the Authority.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Enclosure  
with letter,  
A.C.E.C. to  
Helios  
(continued)

9th April 1957

10

S15 (1), page 28:

The painting has been clearly specified at page 40 - 20.7.1 of our tender.

S17 (3), page 30:

It is pointed out that the reactance - on a 28 MVA basis - between the two lower voltage windings with the higher voltage winding open-circuited will be 20%, the tolerance on the latter figure being  $\pm 10\%$  in accordance with ASSC61/1946 regulations.

20

S22:

We propose to amend the second paragraph of this clause as follows:

The Supplement is to be regarded as complementary information with respect to Clauses S1-S21 and remains evenly liable to such eventual further adjustments or stipulations as may be expressed at any time according to the provisions laid down in Clause 15 "Variations" - page 9.

30

The final adjustments, if any, will be made on the basis of clauses S1-S21, Supplement and Schedules.

Schedule II - section (ii) - page 41:

The insulation resistances are to be understood as being brought about at the temperature of 20°C.

Supplement - page 1 - 2(1):

The maximum permissible temperature of the

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Enclosure  
with letter,  
A.C.E.C. to  
Helios  
(continued)

9th April 1957

oil while drying-out is 80°C. However it is preferable to attain 85°C without exceeding this value. The highest possible vacuum must be maintained during the drying-out operation. It is necessary to use a special vacuum-resisting conservator.

Supplement - page 10 - 5(5)(d)(VI):

The quantity of silicagel is 5.5 lbs instead of 55 lbs.

Supplement - page 11 - (6):

The wheels are fitted with adequate provision for lubrication under pressure. 10

Manholes provided in the cover enable easy removal of the L.V. bushings (not H.V. bushing).

Supplement - page 15 - 8 (4):

The disconnection from the earth of both lamination stacks is made possible from outside the transformer without having to drain the oil from the tank.

Supplement - page 16 - 9 (1):

The given insulation resistances figures are to be understood at a reference temperature of 20°C. 20

---



JM

BY AIR MAIL

Defendants  
(Appellants)  
Exhibits

H E L I O S  
197 Victoria Avenue,  
CHATSWOOD (NSW) (Australia)

Exhibit 4  
(continued)

1722

VEX/OIP/MF/No.1003  
I. 92 259  
530705

April 12th 1957

Letter,  
A.C.E.C. to  
Helios

10

RE: 7 - 56 MVA TRANSFORMERS - Contract 40 006.  
SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY

12th April  
1957

Dear Sirs,

We have received a letter dated 30th March from Dr WILLHEIM, regarding the acceptance tests carried out on the first transformer.

We are enclosing copy of the above letter.

20

As you can notice it in the last paragraph, the release certificate will be only issued from Lloyd's Register of Shipping after receipt of Dr. Willheim's notification which will be passed on after approval by the Authority on the test results.

On the other-hand, we are hearing from Mr FROST that the Authority is willing to pay a further amount representing 40% of the price value for the first two units on receipt of inspection certificate from Lloyd's.

30

In order to conciliate the above Authority's decision with the contents of Dr Willheim's letter herein referred to, would you please contact the Authority so that precise instructions be given to Dr Willheim at this subject.

Thanking you in advance for your kind co-operation, we remain, Dear Sirs,

Yours faithfully,

ENGINEER.

EXPORT ZONE MANAGER.

\_\_\_\_\_

Defendants  
(Appellants)  
Exhibits

TRANSLATION OF LETTER FROM A.C.E.C.  
TO BELGIAN BANK DATED 13th APRIL, 1957.

Exhibit 4  
(continued)

"BELGIAN BANK,  
No.1 Rue de Brabant,  
Charleroi.

Translation,  
Letter,  
A.C.E.C. to  
Belgian Bank

13th April, 1957

13th April  
1957

Dear Sirs,

BANK GUARANTEE OF £A.40.000: SUPPLY OF  
SEVEN TRANSFORMERS OF 56 M.V.A. TO SNOWY  
MOUNTAINS HYDRO ELECTRIC AT COOMA, AUSTRALIA.

10

We would be obliged if you would kindly cable the A.N.Z. Bank at Sydney asking them to get in touch urgently with our representative Helios of 197 Victoria Avenue, Chatswood, N.S.W. with a view to issuing a Bankers' Undertaking for £A. 40,000 to guarantee the delivery of the transformers in question.

We thank you ..... "

Letter,  
A.C.E.C. to  
Guillery

GL/SB

PAR AVION

Monsieur GUILLERY

20

23rd April  
1957

VEX/OIP/MI/2/520 000  
590 000

23 avril 1957

531653

Concerne : AUSTRALIE - NOUVELLE-ZELANDE.-

Cher Monsieur GUILLERY,

Nous vous confirmons le telegramme que Monsieur KOTTGEN vous a adresse en date du 19 courant a BOMBAY:

" GUILLERY VOTRE RAPPORT 6 AVRIL ESTIMONS UTILE  
" VOTRE DEPLACEMENT A SYDNEY STOP ENVERRONS 23  
" COURANT RAPPORT BRUI COMPLEMENTAIRE STOP FAISONS  
" NECESSAIRE POUR ENVOI FONDS KOTTGEN VENTACEC"

30

Monsieur HAESAERTS ayant du prendre un repos force et finalement s'aliter au retour de son voyage - il subira l'operation du sinus vraisemblablement

endeans cette semaine - nous avons du attendre ces derniers jours avant de pouvoir recueillir ses impressions et constatations, suite a sa derniere mission a SYDNEY. Nous vous les transmettons, ainsi que nos propres commentaires, de maniere a vous depeindre l'atmosphere actuelle qui impregne nos relations avec Monsieur GULER. Nous joignons au present rapport un dossier dont le contenu est repris en liste ci-annexee.

Defendants  
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Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C. to  
Guillery  
(continued)

23rd April  
1957

10 Selon Monsieur HAESAERTS, Monsieur GULER est excessivement "monte" a l'egard des ACEC pour les raisons majeures donnees ci-apres :

- carence apportee dans la remise des renseignements sollicités par nos clients (notamment SNOWY 330 kV - VICTORIA 330 kV);

- attitude antagoniste du secteur fabrication;

- difficultes causees a Monsieur GULER et aux clients lors du montage par suite d'expéditions ou d'instructions incompletes ou erronees;

20 - retards de livraison, accumulation de certaines expéditions de materiel et desorganisation des services de montage de Monsieur GULER par voie de consequence;

- manquement aux engagements souscrits par ACEC a l'epoque d'"euphorie", fin 1954, notamment: mission d'un ingenieur resident, supres de Monsieur GULER (Monsieur MARIQUE avait ete designe a l'epoque), participation dans les frais d'equipement de montage necessaire a Monsieur GULER, etc. ....

30 Nous pensons, tout en reconnaissant, en general, le bien fonde de la plupart des griefs enumeres ci-devant (dont la source se situe au sein meme du secteur de fabrication) que, pour brosser un tableau complet de la situation, il y a lieu de mettre en evidence un phenomene d'"hypertrophie" resultant du temperament meme de Monsieur GULER, et ce, d'autant plus que Monsieur GULER fait manifestement preuve d'un manque d'enthousiasme pour la partie administrative des affaires traitees.

40 De plus, Monsieur GULER desire assurer a son entreprise un volant "entretenu" d'activite, et, vu le declin des affaires ACEC, il s'est lance

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Exhibit 4  
(continued)

Letter,  
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notamment dans l'entreprise des lignes a H.T.; il a effectivement remporte, dans ce domaine, une commande importante pour la SNOWY AUTHORITY. Ce debordement d'activite et le desordre aidant, il est clair que, dans ces conditions, Monsieur GULER soit tres monte contre nous, et estime que toute demande d'un caractere administratif de notre part est un baton que nous lui mettons dans les roues.

Monsieur HAESAERTS a quitte Monsieur GULER sans avoir acquis la conviction que notre agent soit reellement apaise. Il est certain qu'en approchant Monsieur GULER dans ces conditions, il faille faire montre, plus que jamais, de circonspection et de beaucoup de comprehension. 10

Monsieur HAESAERTS nous a appris qu'un directeur commercial venait d'etre attache a Monsieur GULER et que cet agent, qui a anterieurement travaille sous les ordres de Monsieur POMEROY de la SNOWY, est particulierement bien choisi, grace a sa competence pour remettre les choses au mieux dans le domaine administratif. Nous avons l'impression que l'on peut, dorenavant, compter sur une nette amelioration dans ce domaine chez HELIOS et que votre action personnelle et directe aupres de ce nouvel agent pourrait exercer une influence decisive dans ce sens pour le plus grand bien de nos relations. 20

Nous nous demandons, en outre, si, par le fait de la presence de cet agent chez HELIOS, il n'y a pas lieu, a present, de voir sous une optique differente, la proposition deja consideree en 1954 de faire seconder Monsieur GULER par un ingénieur ACEC competent dans les techniques interessant nos fournitures australiennes et pouvant faciliter la liaison entre Monsieur GULER et CHARLEROI. 30

Il est toute une serie de types de questions d'ordre secondaire auxquelles Monsieur GULER ne s'interesse que d'une facon trop restreinte, pour ne pas dire nullement; il en resulte, en pratique, un effet envahissant et nefaste du a l'accumulation de questions vieillissantes, non resolues, ce qui cree finalement des problemes d'importance primordiale. 40

Ces problemes et la question d'ingenieur resident vont etre etudies a Charleroi, mais nous vous demandons de les examiner deja sur place, et comme Monsieur GULER a propose a Monsieur HAESAERTS de venir a

Charleroi, a ses frais, et que nous l'esperons toujours dans les memes dispositions, des decisions et un "modus vivandi" pourraient etre determines en Belgique, suite aux elements que vous rapporterez d'Australie.

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Exhibit 4  
(continued)

Letter,  
A.C.E.C. to  
Guilliery  
(continued)

23rd April  
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10 Nous vous avons donne notre accord pour aller a SYDNEY, en ordre principal pour les affaires YALLOURN et T2; toutefois, parmi les informations reçues de Monsieur HAESAERTS, suite a sa visite en Australie, il reste cependant des points a clarifier en dehors d'un certain nombre de questions que nous avons pu eclaircir. Nous pensons que votre passage a SYDNEY permettra de nous apporter de precieux complements d'information a leur sujet.

. . . . .

A. Questions non recues par Monsieur HAESAERTS  
(lors de son deplacement.)

Affaires Yallourn (Victoria) - T2 (Snowy) -  
Compensateurs synchrones (ETSA)

20 Nous vous avons transmis la genese des affaires YALLOURN et T2 (Offres traitees en votre absence) et avons mis l'accent sur les apprehensions que nous manifestons, vu les conditions dans lesquelles ces affaires se sont deroulees et tout specialement en ce qui concerne YALLOURN (2 groupes turbo-generateurs de 120 MW) :

30 manque absolu de directives ou commentaires de la part de HELIOS concernant les postes d'eau et autres items extra GM au sujet desquels Monsieur DEMIERBE n'intervenait qu'accessoirement; ces divers postes representent toutefois, en valeur, une partie fort appreciable de l'ensemble.

- erreur d'interpretation concernant le jeu du coefficient d'extrapolation qui eut permis de convertir des prix belges en prix australiens (voir notre lettre no. du ).

La lettre de Monsieur DRUART dont nous annexons une copie au present rapport etait malheureusement trop laconique, mais en l'absence de reaction de la

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Exhibit 4  
(continued)

Letter,  
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part de Monsieur GULIER, nous assumions, bien entendu, que ce dernier avait parfaitement saisi le mecanisme du coefficient et lancait des appels d'offre sur la base des documents et plans de Charleroi relatifs a 60 MW. Ce n'est que dans les derniers jours precedent la date de cloture que Monsieur GULER finalement, suite a notre rappel telegraphique, nous cablait son desaccord et nous contraignait a lui remettre nos prix belges pour 120 MW conformement a notre telegramme du 11 mars 1957. 10

- partage des responsabilites : cette question est devenue d'autant plus brulante que Monsieur GULER a pris finalement l'initiative de remettre des prix australiens "bases sur la connaissance des prix de la concurrence".

Les lettres que nous avons adressees en dernier lieu a Monsieur GULER pour confirmer les echanges telegraphiques, les interpretations et la fixation des responsabilites, ont recu l'assentiment de Monsieur DEMIERBE: des copies de cette correspondance 20 vous ont ete adressees; Monsieur DEMIERBE estime que nos points de vue exprimes dans ces lettres doivent rencontrer les vues de Monsieur GULER.

Nous desirerions vivement eclaircir cette situation et ce specialement quant au prix de base remis par Monsieur GULER. Nous voudrions savoir dans quelle mesure Monsieur GULER est effectivement a meme de repondre pour ce prix de base, restant entendu que nous le rendrons entierement responsable des prix remis en dehors de notre controle. 30

Monsieur HAESAERTS pense que, vu les conditions "scabreuses" dans lesquelles cette affaire d'envergure s'est presentee, il serait bon de clarifier la situation. Depuis la remise de notre offre et de nos commentaires, nous n'avons rien recu de Monsieur GULER et nous nous demandons quelle suite est reservee a cette affaire.

Concernant les compensateurs synchrones, nous vous communiquons un exemplaire de notre offre, laquelle fut elaboree heureusement dans des conditions plus normales, de meme que T2. De ces deux dernieres affaires, nous n'avons non plus aucune nouvelle. 40

10 Vu notamment l'importance toute speciale que nous attribuons aux projets des SNOWY MOUNTAINS, nous desirerions savoir quelle tournure prend cette affaire T2. Messieurs MERRIGAN et FROST de la SNOWY sont passes a CHARLEROI, les 11 et 12 mars dernier et ont rencontre Monsieur DEMIERBE, ainsi que Monsieur CHEVALIER, bien entendu. Ils ont demande certaines complements d'information relatifs aux puissances auxiliaires des alternateurs T2 et des precisions furent ulterieurement remises par telegramme a Monsieur GULER, a sa demande.

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-----  
Exhibit 4  
(continued)  
-----  
Letter,  
A.C.E.C. to  
Guillery  
(continued)

Nous supposons que tout est clair a present de ce cote. Cette derniere mise au point fait l'objet de notre lettre 530 794 du 15 avril dont copie ci-annexee.

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20 Pour votre gouverne, nous vous signalons qu'en ce qui concerne l'I.E.A., aucun arrangement n'a eu lieu pour YALLOURN et que nous restons donc entierement libres de ce cote; par contre, ainsi que vous le savez, un "joint agreement" s'est tenu, peu avant votre depart, "pour T2", et nos prix pour cette derniere affaire sont lies au "basic price" de l'I.E.A.

. . . . .

B. - AUTRES AFFAIRES "PENDING" ET POINTS RESTANT A ECLAIRCIR APRES LE PASSAGE DE Monsieur HAESAERTS A SYDNEY

30 En dehors des affaires GM, il semble qu'il faille perdre tout espoir concernant les affaires TF remises dans le passe et, notamment, celles concernant le complexe de 275 kV de l'ELECTRICITY TRUST of SOUTH AUSTRALIA - Nous fondons notre opinion sur la base de la lettre de HELIOS A1/5727 du 1er avril 57 dont nous vous remettons un photostat. Le dernier paragraphe de cette lettre annonce d'ailleurs un rebondissement des difficultes eprouvees a l'origine de la derniere commande remportee en decembre dernier pour Victoria 330 kV (4 autotransformateurs): amputation de la commission et allongement du delai de fabrication (passe de 15 a 21 mois, le delai d'option de notre offre etant depasse a la date d'acceptation de la commande).  
40 Je vous transmets d'ailleurs, pour information, photocopie de la lettre adressee par Monsieur GULER

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a Monsieur HAESAERTS en date du 13 fevrier 1957, lettre que Monsieur HAESAERTS vient de me remettre en mains propres.

Exhibit 4  
(continued)

Il est a noter que Monsieur CHEVALIER est revenu, depuis fevrier dernier, a de meilleurs sentiments, les consequences de sa position en fleche l'ayant rendu vraisemblablement un peu inquiet.

Letter,  
A.C.E.C. to  
Guillery  
(continued)

Revenant au complexe de 275 kV de l'ELECTRICITY TRUST SOUTH AUSTRALIA, nous voudrions plus particulierement nous assurer du fait "presume" que les divers contrats ont ete effectivement attribues a des firmes concurrentes.

23rd April  
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D'une facon generale, nous aimerions savoir en detail quelles sont exactement les affaires perdues et a quels resultats d'adjudication se rapporte la lettre de HELIOS du 1/4 precitee (voir aussi nos lettres No.530 135 du 8/4.57, No. 957 du 4 mars 1957 et No.1006 du 16 avril 1957 (ci-jointes).

Nous estimons que les ramifications de Monsieur GULER doivent lui permettre de drainer les informations que nous desirons (prix de la concurrence, caracteristiques, etc. ....)

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6. - BATTERIES DE CONDENSATEURS de 10 MVAR POUR ECNSW :

Monsieur GULER nous a annonce, sans aucun commentaire, que cette commande devait etre definitivement annulee, la licence d'importation ayant ete refusee au client.

Tout a pourtant ete entrepris ici pour faire changer la decision du Ministre du Commerce Exterieur et nous ne doutons pas que Monsieur GULER ait fait le maximum de son cote. Cependant, vu les assurances formelles donnees ici lors de sa visite en fevrier dernier, par Monsieur DAVIS, Directeur Commercial et homme des finances de l'ECNSW, qu'une demande personnelle de sa part serait tentee aupres du Gouvernement, nous aimerions quand meme connaitre les circonstances et raisons dernieres qui ont entraine le refus de l'octroi de la licence et quelles sont les perspectives d'avenir pour la vente du materiel en question.

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SNOWY - CONTRAT 40.006 - 7 TRANSFOS de 56 MVA -  
330 kV

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10 Un differend assez grave (demontage du tfo No.7 par la Division TF sans l'accord du client) a fortement accentue au debut de cette annee la malaise pre existant cree par la resultante de forces antagonistes developpees par la Division TF (vpir notamment le rapport de Monsieur HERNOULD attache a la note que Monsieur BRUI vous adressait le 1/10.56 et dont nous joignons une copie au present rapport).

Exhibit 4  
(continued)

Letter;  
A.C.E.C. to  
Guillery  
(continued)

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20 La visite de Messieurs MERRIGAN et FROST a Charleroi les 12 et 13 mars semble avoir largement contribue a detendre l'atmosphere et les contacts personnels que Monsieur CHEVALIER avait deja noues en Australie avec ces personnalites de toute premiere importance n'ont pas laisse d'agir dans un sens finalement favorable. Pour votre information, nous joignons egalement a la presente une copie du rapport de Monsieur CHEVALIER en date du 13 mars 1957. Ce rapport a ete adresse en 3 exemplaires a HELIOS et Messieurs MERRIGAN et FROST en ont recu chacun un exemplaire.

30 Nous vous signalons confidentiellement que l'attitude prise par TF vis-a-vis de VEX lors des evenements rappelles aux paragraphes 4) et 5) du susdit rapport a place la section OIP/2 dans une position extremement difficile a tenir et que Monsieur KOTTGEN fut tenu completement informe de l'evolution du differend TF-VEX lequel se developpait parallelement au differend ACEC-client. Le paragraphe 5) du susdit rapport de Monsieur CHEVALIER masque aux yeux du client le grave desaccord qui envengima les relations entre TF et VEX. La formule du § 5) fut approuvee par Monsieur CHEVALIER a l'intervention de Monsieur BRUI et consacre le retablissement de rapports detendus entre notre section et D/TF (Voir aussi lettres de Monsieur BRUI du 6 mars 1957 a Monsieur HAESAERTS).

40 Depuis la parution du rapport de Monsieur CHEVALIER, TF a enfin lache des propositions concretes pour l'image thermique et le palonnier de levage et nous voudrions savoir si ces propositions sont finalement acceptees. Une liste complete des plans fut remise a HELIOS et a Monsieur FROST afin de faciliter la mise au point des accords sur les plans. La boite a cable Pirelli a fait l'objet de

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Exhibit 4  
(continued)

Letter,  
A.C.E.C. to  
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plusieurs rencontres entre les specialistes de TF et ceux de Pirelli, une fois notamment en presence de Monsieur FROST et du Docteur WILLHEIM; nous pensons que suite a la derniere rencontre, que eut lieu le 16 avril, les grosses difficultes de delimitation des responsabilites, conception du support de la terminale 330 kV etc. ont ete aplanies et qu'un rapport pourra etre prochainement soumis a l'Autorite. Le premier transformateur a ete receptionne avec succes les 25 et 26 mars et on compte receptionner le No.2 vers le 10 mai en presence de Monsieur FROST. Comme l'indique le §6) du rapport de Monsieur CHEVALIER (demontrage du No.7) nous avons propose au client d'accepter la phase de ce No.7 comme rechange. Nous ne sommes toujours pas en possession de l'accord officiel de SNOWY sur ce point, bien que Messieurs MERRIGAN et FROST n'aient pas vu d'objections a soulever lorsque Monsieur CHEVALIER leur fit verbalement cette proposition. Nous voudrions etre munis d'une autorisation officielle de l'autorite de maniere a couvrir sans ambiguite les operations de Monsieur ZELIS telles que prevues au § 6) et a en finir avec la mise en cuve de la phase en question.

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Un point un peu delicat merite enfin de retenir egalement votre attention: Monsieur CALLINAN est l'"Engineer" du contrat et, a ce titre, il assume pour le compte de la SNOWY les responsabilites liees a la plupart des phases d'execution du contrat. D'apres certains tele-grammes recus de HELIOS, il nous semble que Monsieur CALLINAN reste, avec raisons sans doute, jaloux de ses prerogatives et qu'il est bon de veiller a ne pas court-circuiter ces prerogatives lors des dispositions prises ici en accord avec Monsieur FROST; il faut pourtant bien admettre que Monsieur CHEVALIER desire tout naturellement tirer le parti maximum de la presence de Monsieur FROST en Europe. Nous pensons que les limites des fonctions et attributions de l'"Engineer" n'ont pas ete suffisamment explicitees a ce jour et une enquete de notre part dans ce sens ne pourrait etre que profitable tant pour le contrat en cours que pour les affaires SNOWY a venir.

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Nous vous signalons par la meme occasion que TF etudie actuellement la specification des 7 transformateurs de 50 MVA - 330 kV destines a T2.

Pour votre gouverne, nous vous informons confidentiellement de ce qu'un arrangement IEA aura lieu a Londres vers le 6 mai prochain auquel participera également la firme ASEA London. Nous ne serons donc pas en mesure de faire connaitre nos prix ni dispositions finales d'offre avant la mi-mai (date de cloture : 4 juin 1957), mais ceci ne nous empechera pas de transmettre deja a partir de ce mois les elements constitutifs de notre offre a Monsieur GULER avec reserve d'amendements eventuels a faire connaitre ulterieurement (au-dela du 6 mai).

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Exhibit 4  
(continued)

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(continued)

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VICTORIA - 4 AUTOTRANSFORMATEURS 330/220 kV  
(Interconnexion VICTORIA - SNOWY)

TF a remis la plupart des renseignements "top priority" sollicités par le client et ce, apres avoir fait l'etude complete du transformateur; les renseignements ainsi communiés peuvent, d'apres TF, etre considerés comme fermes; cet avantage a malheureusement ete sanctionné par un léger retard dans la reponse, mais nous supposons que le client a maintenant tout lieu d'etre satisfait.

Nous avons reclame, dans notre accuse de reception, copies des lettres echangees entre HELIOS et le client, ceci afin de nous assurer de la parfaite connaissance de tous les elements de base du contrat (voir plus loin le paragraphe que nous consacrons a la question des accuses de reception). Satisfaction nous a ete donnée presque totalement par HELIOS; certaines lettres neanmoins ne nous ont pas ete communiées : lettres de HELIOS a VICTORIA des 23 mars, 16 et 25 octobre 1956 (Voir notre lettre a HELIOS No.891 du 3 janvier 1957 dont copie ci-jointe).

Nous vous saurions gre de vouloir bien intervenir aupres de Monsieur GULER et s'il estimait ne pouvoir nous communiquer ces lettres, ni leur contenu, nous devrions en deduire que ce contenu ne peut exercer aucune influence sur la conduite des operations par ACEC ni engager notre responsabilite.

Pour votre gouverne (Voir lettre HELIOS 5520 du 13/2.57 adressee a Monsieur HAESAERTS, dont copie en annexe), le delai contractuel accepte par

\* Lettres recues ce jour

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Exhibit 4  
(continued)

Letter,  
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ACEC est de 21 mois, mais nous avons demande a TF de faire l'impossib le pour livrer 3 tfo en 18 mois de meme que pour les parafoudres. Nous ne pouvons en aucune maniere revenir sur le delai contractuel de 21 mois ni sur la decision d'amputer la commission de HELIOS.

Vous vous souviendrez que lors des discussions plus ou moins violentes qui prirent corps a Charleroi a l'enregistrement de la commande par HELIOS, la ligne de conduite adoptee par ACEC vis-a-vis de HELIOS fut tout specialement axee sur la notion de delai d'option de nos offres et que nous entendons dans tous les cas que ce delai doit etre respecte a la lettre, toute extension eventuelle devant etre sollicitee par HELIOS et ne pouvant se concevoir qu'avec notre consentement. Cette position doit continuer a prevaloir pour l'avenir et nous considerons que HELIOS est d'accord bien qu'il n'ait jamais confirme officiellement.

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Considerations generales et faits importants meritant un complement d'enquete (bien vouloir vous referer a la note de Monsieur BRUI du 1/10.56 dont copie ci-annexee).

20

a) Paiements - Facturation

Les retards importants ont pour causes principales, selon Monsieur HAESAERTS :

- 1) - carence administrative de nos clients (approbations en cascade des factures etc.)
- 2) - entraves causees par ACEC dans le deroulement des operations contractuelles (retards, omission graves, ennuis sur le chantier etc....) et qui incitent les clients a suspendre les paiements.
- 3) - difficultes de tresorerie des clients

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Nous vous signalons en passant (voir point 3) ci-dessus) que la S.E.C. VICTORIA a differe les paiements du contrat 54/55/1 A (7 x 20 MVA - 220 kV) l'echeance etant reportee a fin juillet 1957 alors que tout le materiel a ete livre en septembre - novembre 1956. Le client consent a payer un interet annuel de 6%. Monsieur DUMORTIER a neanmoins insiste

40

pour que l'on essaye d'obtenir du client des traites negociables de facon a pouvoir les transformer a la Banque de la S.G. en liquidites et alimenter ainsi la tresorerie dans l'immediat sans devoir attendre l'echeance differee. Nous avons ecrit a cet effet a HELIOS (voir notre lettre du 9/4 No.994 ci-jointe, mais aucune reponse n'ayant ete donnee a ce jour par HELIOS, nous vous prions de relancer Monsieur GULER).

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Exhibit 4  
(continued)

Letter,  
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Guillery  
(continued)

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10 Pour votre gouverne, SEC VICTORIA et dans une certaine mesure SEC WESTERN AUSTRALIA, sont les seuls clients qui nous aient justifie les retards de paiement en nous faisant connaitre que les paiements seraient differees et qu'ils acceptaient que le credit en resultant soit couvert par un taux d'interet annuel de 6%.

Le systeme de facturation doit etre revu et nous proposons les stades ci-apres (dans l'ordre chronologique):-

- 20
- 1) 1ere facture a concurrence de la valeur de base FOB (devis)
  - 2) 2eme facture pour les charges (I + F) cotees dans le devis
  - 3) 3eme facture pour les rajustements des depenses (I + F)
  - 4) 4eme facture pour les variations de la valeur FOB
    - rajustement main-d'oeuvre et matieres
    - modifications techniques approuvees par le client.

30 Le processus mis en vigueur jusqu'a present elaborait une premiere facture a concurrence de la valeur CIF de base (c'est-a-dire telle que cotee dans le devis et exempte de variations).

Cette premiere facture n'aurait du cependant souffrir aucune contestation d'autant plus que les sommes y incorporees pour (I + F) sont generalement inferieures aux sommes effectivement deboursees a l'expedition.

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Exhibit 4  
(continued)

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Nous ne pensons pas, d'autre part, que la raison 2) invoquee ci-dessus ait un caractere de gravite tel qu'elle doit entrainer le blocage principal des paiements dans les proportions constatees.

Monsieur GULER joint ordinairement nos factures aux siennes et les transmet au client; nous craignons que certains regards puissent trouver leur origine dans cette transmission. D'autre part, les lettres de Monsieur GULER au sujet des versements nous ont incites a croire que Monsieur GULER intervenait generalement entre le client et nous comme donneur d'ordre; selon Monsieur HAESAERTS, renseignements pris aupres de Monsieur GULER, dans des circonstances que ne devraient pas permettre de mettre la parole de Monsieur GULER en doute, c'est bien le client qui est en general le donneur d'ordre et ses instructions de transfert telegraphique sont appliquees par le banquier au vue du permis de change qui accompagne la licence d'importation libellee au nom du client.

Le tableau des commandes australiennes ci-annexe vous donnera une idee des mecanismes de passation et facturation des commandes; dans l'etat actuel des informations recues, il subsiste ici un doute quant a la veracite des deductions mentionnees ci-devant concernant le mecanisme de paiement, toutes les commandes etant confiees soit directement a HELIOS, soit aux ACEC c/o HELIOS.

Pour votre gouverne, nous joignons au present rapport une photocopie de la lettre de HELIOS du 22 mai 1956 afin de vous montrer surtout comment Monsieur GULER s'exprime au sujet de la transmission des versements.

Les releves etablis par la comptabilite accusent generalement des decouverts globaux de l'ordre de 20 millions et nous allons mettre le decouvert journalier en evidence (de 1954 a ce jour) au moyen de graphiques.

Ces graphiques de meme qu'un complement d'enquete de votre cote nous permettront peut-etre d'affermir nos conclusions et notre position vis-a-vis de la tresorie ACEC.

Le total des sommes en litige (hormis le contrat SNOWY 330 kV) atteint de l'ordre de 2,4 millions dont environ 1,8 millions pour les frais de transport (fret). De cette dernière somme (fret) on peut espérer qu'un bon million nous sera remboursé grâce à l'intervention personnelle de Monsieur HAESAERTS et probablement de Monsieur GULER après de Monsieur CONDE, président de l'ELECTRICITY COMMISSION of NEW SOUTH WALES.

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Exhibit 4  
(continued)

Letter,  
A.C.E.C. to  
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10 Monsieur HAESAERTS écrira si ce n'est déjà fait - une lettre personnelle à Monsieur GULER pour lui rappeler les démarches effectuées auprès de Monsieur CONDE. Il y a toutefois lieu de craindre que le règlement des sommes "in dispute" nécessite une durée relativement longue. Nous vous communi-

20 quons, dans cet ordre d'idées, copie de la lettre adressée par Monsieur HAESAERTS à Monsieur BRUI le 16 février 1957 de même que la réponse de Monsieur BRUI en date du 6 mars 1957. Cet échange de lettres met également en évidence la difficulté majeure qui subsiste en ce qui concerne nos accusés de réception de commande (voir paragraphe ci-après).

#### ACCEPTATIONS DES COMMANDES ET ACCUSES DE RECEPTION

30 Des entretiens que Monsieur BRUI a eus avec Monsieur HAESAERTS, nous déduisons que Monsieur GULER semble vouloir éluder la mise au point de cette question en prétendant que les clients refusent de faire rentrer notre accusé de réception en ligne de compte comme référence dans les contrats. En fait, l'objectif final visé par Charleroi est défini dans la lettre adressée par Monsieur BRUI à Monsieur HAESAERTS en date du 6 mars 1957 et cet objectif a été maintes et maintes fois précisé à Monsieur GULER à l'occasion de notre correspondance avec ce dernier.

40 Il est certain que Charleroi en poursuivant cet objectif, n'a jamais été jusqu'à émettre la prétention que lui prête Monsieur GULER de vouloir absolument faire insérer le dit accusé de réception dans le contrat, l'essentiel étant en définition de s'assurer de la parfaite compréhension et mise au point, au départ, des bases contractuelles.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C. to  
Guillery  
(continued)

23rd April  
1957

Nous croyons que dans le mecanisme qui a effectivement joue jusqu'a present, a la passation de la commande, Monsieur GULER signel la lettre d'acceptation du client pour le compte des ACEC et demande simultanement a Charleroi le transfert de la garantie de bonne execution. A ce moment, si Monsieur GULER n'a fait aucune reserve en signant, il est evidemment plus possible pour les ACEC de faire admettre par la suite certaines dispositions ou precisions fixees dans l'accuse de reception de Charleroi.

10

En d'autres termes, nous craignons que l'engagement pris par HELIOS a la signature de la lettre d'acceptation du client ne nous couvre pas suffisamment et nous oblige des lors a suscrire a des conditions discutables, omissions de verification, etc. .... tout en nous enlevant la possibilite ulterieure de faire prevaloir notre point de vue et nos droits. Cet aspect du probleme ne nous est apparu clairement qu'a la suite de l'attitude hostile et fermee manifestee generalement par HELIOS a l'egard de nos accuses de reception et de sa repugnance a nous livrer les informations contenues dans la correspondance echangee entre HELIOS et le client au cours des negociations precedant la reception de la commande.

20

Nous maintenons notre point de vue que le contenu de nos divers accuses de reception doit garder toute sa valeur dans les differends qui peuvent actuellement nous opposer a HELIOS et que les dommages resultant de la non observance par HELIOS des clauses de nos accuses de reception sont imputable a Monsieur GULER (Voir cas de l'inertaire, des galets de roulement et des parafoudres de point neutre livres a E.C.N.S.W.).

30

En signant sans accord prealable des ACEC, Monsieur GULER place les ACEC devant un fait accompli et doit, des lors, supporter les consequences de son acte.

Nous pensons que ce probleme doit etre etudie avec Monsieur GULER afin qu'a l'avenir il ne puisse plus exister de source de litige de ce cote; a defaut de reglement Charleroi se verrait force de postposer la date d'emission de la garantie de bonne execution et de reserver son acceptation jusqu'a ce que tout le dispositif des negociations locales ait ete porte a sa connaissance.

40



REPRESENTATION EN MATERIEL STANDARD ET EN NOUVELLE  
ZELANDE

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C. to  
Guillery  
(continued)

23rd April  
1957

10 Monsieur HAESAERTS pense que vu le debordement d'activite de Helios (contrats extra ACEC notamment), Monsieur GULER consentirait, non sans reticence cependant, a abandonner la representation des ACEC en Nelle Zelande. En abordant cette question aupres de Monsieur GULER, il y a lieu evidemment de faire montre de beaucoup de prudence, le prestige et l'amour propre de notre agent etant en jeu. Sauf erreur, nous croyons que Monsieur GULER n'a pas encore retourné a Charleroi le projet de contrat de representation dument sogne.

Monsieur HAESAERTS va ecrire - personnellement a Monsieur GULER en vue de connaitre definitivement ses intentions en N-Z, en fait de gros materiel.

20 En ce qui concerne la representation du materiel standard en Australie ainsi que la gestion des stocks et consignation, des mesures prochaines vont etre prises et la consignation va etre annulee. Il reste toutefois des problemes de liquidation en compte marchandise (transfos CSP etc. ...) qu'il serait bon que vous etudiez surplace, Monsieur GULER ayant propose de liquider a des prix derisoires et de partager le resultat de la vente.

30 Nous venons d'interroger Monsieur GULER au sujet de la representation des appareils electro-menagers, dictorel, etc. ... et desirons savoir s'il manifeste une preference quelconque quant au choix d'une firme locale susceptible de reprendre nos interets. A ce sujet, nous joignons au present rapport une copie de notre lettre No.999 du 11 avril adressee a Monsieur GULER en accord avec Monsieur HAESAERTS.

40 Cher Monsieur GUILLERY, nous nous tenons a votre disposition pour tout complement d'information que vous pourriez desirer, n'ayant voulu aborder dans ce rapport, deja suffisamment long, que la quintessence des points "chauds" susceptibles de pouvoir etre investiques utilement grace a votre presence sur place.

Nous vous souhaitons bon succes dans cette mission delicate et vous prions de croire a l'assurance de nos meilleurs sentiments.

L'INGENIEUR, LE DIRECTEUR GENERAL ADJOINT DES  
VENTES,  
G. BRUI J. KOTTGEN.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Enclosure  
with letter,  
A.C.E.C. to  
Guillery

23rd April  
1957

LISTE DES DOCUMENTS ANNEXES.

- A. En liaison avec la direction (Confidential)
- Noté de Mr. KOTTGEN a Mr NEIRYNCK du 9/4.57
  - Note de Mr BRUI a Mr KOTTGEN du 15/4.57 (1ere visite chez Mr HAESAERTS)
  - Lettre de Mr HAESAERTS a Mr BRUI du 16/2.57 (fret et assurance, Snowy, Victoria, etc. ...)
  - Lettre de Mr BRUI a Mr HAESAERTS du 6/3.57 - No. 57/27 reponse a la precedente
  - Lettre de Mr BRUI a Mr HAESAERTS du 6/3.57 (Visite de Messieurs MERRIGAN et FROST) 10
  - Sommaire du contenu du dossier communique a Mr HAESAERTS lors de sa visite a SYDNEY (Relations VEX-HELIOS)
  - Rapport de Mr BRUI a Mr GUILLERY du 1/10.56  
Rapports entre OIP et HELIOS  
Rapports entre OIP et TF
- B. - AFFAIRES DIVERSES EN COURS :
- Lettres de Mr DRUART a HELIOS du 23 janvier 1957 (Et. 80232) concerne YALHOURN (coefficient) 20
  - Offre des compensateurs synchrones pour ETSA du 8/1.57
  - Lettre de HELIOS a ACEC -- A1/5727 du 1/4.57  
Pending tenders
  - Lettre de ACEC a HELIOS No.957 du 4/3.57  
Pending tenders
  - Lettre de ACEC a HELIOS No.993 du 8/4.57  
Pending tenders
  - Lettre des ACEC a HELIOS No.1006 du 16/4/57- 30  
Pending tenders
  - Lettre de HELIOS a Mr HAESAERTS No.5520 du 13/2.57 "Points to be negotiated with ACEC"

- Lettre de ACEC a HELIOS No.1004 du 15/4.57  
Tender EM 005 (4 alternateurs de 70 MW  
pour T2) Defendants  
(Appellants)  
Exhibits
- Rapport de Mr CHEVALIER NU/TF No.57/221 du  
13/3.57. Demontage du No.7 Exhibit 4  
(continued)
- Lettre de ACEC a HELIOS No.891 du 3/1.57  
Victoria 330 kV (Tfos et parafoudres) -  
spec.55-56/182 Enclosure  
with letter,  
A.C.E.C. to  
Guillery  
(continued)

C. - PAIEMENTS :

- 10 - Tableau de nos diverses commandes  
australiennees
- Lettre de Mr GULER a Mr GUILLERY du 22/5.56
- Lettre des ACEC a HELIOS No.994 du 9/4.57  
Differement des paiements (Victoria 54/55/1A).

23rd April  
1957

D. - REPRESENTATION :

- Lettre des ACEC a HELIOS No.999 du 11/4.57  
(Electro-Manager, etc., Australie).

(TRANSLATION)

A. C. E. C.

Mr. GUILLERY

Translation,  
Letter, A.C.E.C.  
to Guillery

20 VEX/OIP/MI/2/520 000  
590 000  
No. 531653 23rd April, 1957.

23rd April  
1957

Dear Mr. GUILLERY,

re: AUSTRALIA - NEW ZEALAND

We confirm the text of a cable dated the 19th  
instant addressed to you at Bombay by Mr. KOTTGEN :

"GUILLERY YOUR REPORT SIXTH APRIL CONSIDER YOUR  
"VISIT SYDNEY USEFUL STOP FORWARDING 23RD  
30 "INSTANT FULLER REPORT BRUI STOP ARRANGING  
"TRANSFER FUNDS KOTTGEN VENTACEC"

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Translation,  
Letter A.C.E.C.  
to Guillery  
(continued)

23rd April  
1957

Since his return from Sydney Mr HAESAERTS has not been feeling very well and it is only these last few days that he has been able to convey to us the impressions and observations of his latest mission there. These are being forwarded to you together with our own comment in order that you may have a clear picture of the atmosphere that permeates our present relations with Mr. GULER. We also forward herewith a file containing documents as per attached list.

10

According to Mr. HAESAERTS, Mr. GULER is all "worked up" against A.C.E.C. for the following main reasons:-

- failure to provide information required by our clients (chiefly SNOWY 330kV - VICTORIA 330kV);
- antagonistic attitude of manufacturing section;
- difficulties experienced by Mr. GULER and clients as a result of incomplete or incorrect shipments and instructions;
- delays in delivery and accumulation of certain shipments of materials resulting in the disruption of Mr. GULER's erection work;
- failure to keep promises given by A.C.E.C. during the "good" period, late 1954, namely the appointment of a resident engineer with Mr. GULER (Mr. MARIQUE was designated at the time), sharing in the cost of erection equipment required by Mr. GULER, etc. ....

20

While we acknowledge that, on the whole, most of the above complaints are justified, we feel that in order to obtain a complete picture of the situation, Mr. GULER's temperament should also be taken into account, especially as he is showing a complete lack of enthusiasm in the administration of past contracts. In addition, Mr. GULER is intent on maintaining a high level of activity in his business, and since our own work there has been declining, he has now launched out into the field of high voltage transmission line erection, and has in fact secured an important contract from the SNOWY MOUNTAINS AUTHORITY. This overflow of work and the resulting disorder would explain why Mr. GULER is so "worked up" against A.C.E.C., since he would regard any demand of an administrative nature from our part as nothing less than interference with his activities.

30

40

Mr. HAESAERTS left Mr. GULER without being fully convinced that our agent was really mollified, and it is obvious that when approaching him under these conditions, we will have to exercise caution and understanding more than ever before.

We have been informed by Mr. HAESAERTS that a business manager had just been engaged by Mr. GULER, and that this manager, who had previously worked under Mr. POMROY at the SNOWY, was a particularly good choice in view of his competence to put some order on the administrative side. We have the impression that from now on we can expect an improvement in this field on the part of HELIOS, and that your personal and direct approach to that man could have a decisive influence in this direction to the benefit of our relations.

(End of para.2, page 3. Balance page 3 to end 1st para., page 11, refer to tenders and other outstanding matters to be discussed with Mr. GULER).

(Page 11)

Important matters requiring further investigation.

a) Payments - Invoicing.

According to Mr. HAESAERTS, most delays in payments are due to the following main reasons:

- 1) poor administration on the part of our clients (delays in approval of claims, etc...)
- 2) A.C.E.C.'s failure to adhere to conditions of contract (delays, serious omissions, trouble at the Works, etc.) as a result of which clients withhold payments.

3) Financial difficulties experienced by clients.

We might mention here that the S.E.C. of Victoria has deferred payments due under contract 54-55/1 (for seven 220 kV transformers) and consented to pay an interest of 6% p.a. Mr. DU MORTIER has nevertheless insisted that we should endeavour to obtain from the client negotiable bills of exchange which we can convert at the Belgian Bank for ready cash. We wrote to HELIOS in this connection (No.994 of 9/4) but as we are still without reply, we ask you to please take up this matter with Mr. GULER.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Translation  
Letter A.C.E.C.  
to Guillery  
(continued)

23rd April  
1917

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Translation,  
Letter A.C.E.C.  
to Guillery  
(continued)

23rd April  
1957

For your information, the S.E.C. of Victoria and the S.E.C. of WESTERN AUSTRALIA are the only clients that have confirmed delays in payments by informing us that payments would be deferred and agreeing to pay 6% interest.

The invoicing procedure must be revised and we propose the following stages (in chronological order):

- 1) 1st invoice to cover contract F.O.B. price
- 2) 2nd invoice to cover marine freight and insurance charges quoted in the contract
- 3) 3rd invoice to cover marine freight and insurance adjustment
- 4) 4th invoice to cover F.O.B. price adjustment:
  - adjustment in rates for labour and raw materials
  - technical modifications authorised by the client

10

Under the present procedure, the first invoice is made out on the basis of the C.I.F. value quoted in the contract. This first invoice could not have been questioned by the clients since the amounts included for marine freight and insurance are usually lower than those actually paid on shipment.

On the other hand, we do not consider that our alleged failures to comply with the conditions of the conditions of the contract were serious enough to warrant the retention of moneys in such proportions.

Mr. GULER usually joins his invoices to ours and transmits them to the client, and we fear that certain delays could originate in this transmission. In addition, Mr. GULER's letters in connection with payments have lead us to believe that the clients usually paid him and he in turn paid A.C.E.C. According to Mr. HAESAERTS, however, the information given him by Mr. GULER (under circumstances that should not make us doubt Mr. GULER's word) was to the effect that payments were usually made to us direct by the clients whose instructions for telegraphic transfer were carried out by the bank upon presentation of the exchange permit which accompanies the import licence issued in the client's name.

30

The attached list of orders from Australia will give you an idea of the procedure for the placing and invoicing of orders; on the basis of available information, there is some doubt as to the accuracy of inferences drawn hereabove regarding the payment procedure, all contracts being placed either directly with HELKOS or with A.C.E.C. c/o HELIOS.

40

For your information, we attach to the present report a photocopy of HELIOS's letter dated 22nd May, 1956, mainly to show you the manner in which Mr. GULER expresses himself in regard to remittances of payments.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Statements prepared by the Accounts Department show an outstanding balance of 20 million francs. Amounts under dispute total 2.4 million of which 1.8 million are for marine freight. Due to the personal intervention of Mr. HAESAERTS, and probably Mr. GULER, with Mr. CONDE, Chairman of the E.C.N.S.W., it is hoped that we will be able to recover at least a million for freight. Mr. HAESAERTS is writing a personal letter to Mr. GULER to remind him of discussions with Mr. CONDE.

Translation  
Letter A.C.E.C.  
to Guillery  
(continued)

23rd April  
1957

10

. . . . .

ACCEPTANCE AND CONFIRMATION OF ORDERS.

Following talks between Mr. BRUI and Mr. HAESAERTS, we conclude that Mr. GULER appears to be evading the settlement of this question by pretending that the clients refuse to consider our confirmation of order as part of the contract. In fact, Charleroi's purpose is defined in Mr. BRUI's letter of 6.3.57 to Mr. HAESAERTS, and this purpose was made clear to Mr. GULER on a number of occasions in the course of our correspondence with him.

20

Charleroi had never sought to include the confirmation of order in the contract, as claimed by Mr. GULER, but merely to ensure that both parties had the same understanding of the basic conditions of the contract.

30

It would appear that, under the present system, whenever an order is placed, Mr. GULER signs the client's letter of acceptance on behalf of A.C.E.C., and at the same time asks Charleroi to transfer the contract security deposit. If Mr. GULER had, at the time, accepted the order without reservation, then it is obviously not possible for A.C.E.C. to include certain conditions when later confirming the order.

40

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Translation,  
Letter A.C.E.C.  
to Guillery  
(continued)

23rd April  
1957

In other words, we fear that the undertaking given by HELIOS when signing the letter of acceptance does not cover us sufficiently and places us under an obligation to accept certain debatable terms, omissions, etc., without giving us the opportunity of establishing our point of view and rights. This aspect of the problem became clear to us only after HELIOS had adopted a hostile and uncooperative attitude in regard to our confirmation of orders, and showed a marked reluctance to provide us with the information contained in correspondence exchanged between HELIOS and the client in the course of negotiations preceding the receipt of the order.

10

We maintain our point of view that our confirmation of orders must be taken into account in all existing disputes with HELIOS, and all resulting damages suffered by us are chargeable to Mr. GULER's account.

By signing without first having obtained our agreement, Mr. GULER faces A.C.E.C. with a fait accompli, and must therefore bear the consequences of his act.

20

(End of page 14.)

We feel that this problem should be studied with Mr. GULER .....



TF17/5892

AE.965

6th May, 1957.

The Business Manager,  
Snowy Mountains Hydro-Electric Authority,  
Box 332, Post Office,  
COOMA NORTH. N.S.W.

Dear Sir,

CONTRACT 40006 - SEVEN 56 MVA  
TRANSFORMERS

10

We refer to your letter of 22nd February, 1957, and have pleasure in returning herewith two copies of the above contract document, duly executed by Mr. T.I.Guler on behalf of Ateliers de Constructions Electriques de Charleroi.

20

We understand that the Power of Attorney empowering Mr. T.I.Guler to execute Contract 40,006 on behalf of A.C.E.C. and submitted under cover of our letter of 11th April, 1957, has received your Authority's approval and wish to state that this document has since been impressed with the requisite duty stamps.

Also attached is a Statutory Declaration made out by Mr. Guler to the effect that the abovementioned Power of Attorney has not been revoked.

We shall be pleased to receive one copy of contract document 40,006 duly executed under the official Seal of the Authority.

30

Yours faithfully,

T.I. Guler.  
Director.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
Helios to  
S.M.H.E.A.  
6th May  
1957

STATUTORY DECLARATION.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Enclosure  
with letter  
Helios to  
S.M.H.E.A.

Statutory  
Declaration  
6th May  
1957

I, TOM ISMET GULER of 197 Victoria Avenue,  
Chatswood in the State of New South Wales  
Company Director do solemnly and sincerely  
declare as follows:-

1. I am the attorney named in Power of  
Attorney dated the 3rd day of April 1957 from  
Ateliers De Constructions Electriques De  
Charleroi by virtue of which I have this day  
executed an Agreement made between the said  
Ateliers De Constructions Electriques De  
Charleroi of the one part and Snowy Mountains  
Hydro-Electric Authority of the other part.

10

2. I have not received any notice of the  
revocation of the said Power of Attorney.

AND I make this solemn declaration conscien-  
tiously believing the same to be true by  
virtue of the provisions of the Oaths Act  
1900.

Subscribed and Declared by )  
the above named Declarant, )  
Tom Ismet Guler at Chatswood )  
the            day of            )  
1957 before me                    )

20

Justice of the Peace.

TF17/5893

6th May, 1957.

The Australia & New Zealand Bank,  
Martin Place & George Street,  
SYDNEY.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Dear Sirs,

ATTENTION: CREDIT DEPARTMENT

BANK GUARANTEE FOR £40,000

Letter  
Helios to  
A.N.Z. Bank  
Limited  
Sydney  
6th May  
1957

10

Further to our telephone conversation of even date with your Mr. Treweeke, we understand that your Bank has now approved the guarantee for £40,000 received from A.C.E.C., Charleroi, Belgium, and shall be pleased, therefore, if you will now let us have a Bank Undertaking for the same amount to the Snowy Mountains Hydro-Electric Authority, in accordance with the attached draft.

Two copies are required in addition to the original document and your urgent attention to this matter would be appreciated.

20

Yours faithfully,

T.I. Guler.  
Director.

TF17/5906

VEX/OIP/MF/1003

7th May, 1957.

A.C.E.C.,  
Charleroi,  
BELGIUM.

Letter  
Helios to  
A.C.E.C.  
7th May  
1957

Dear Sir,

S.M.H.E.A. - CONTRACT 40006 - 7 x 56  
MVA TRANSFORMERS

30

With reference to your letter No.530705 we wish to advise that the letter to Dr. Willheim has not been received.

Defendants  
(Appellants)  
Exhibits

We intend to pay you this week, £38,000 clear, which apparently indicates that Lloyds have given the certificate after receiving the approval from the Snowy Mountains of Dr. Willheim's report.

Exhibit "4"  
(continued)

Yours faithfully,

Letter  
Helios to  
A.N.Z. Bank  
Limited  
Sydney  
(continued)  
6th May  
1957

T.I. Guler.  
Director.

TF17/5905 VEX/OIP 7th May, 1957.

Letter  
Helios to  
A.C.E.C.  
7th May  
1957

A.C.E.C.,  
Charleroi,  
BELGIUM.

10

Dear Sir,

S.M.H.E.A. - CONTRACT 40006 - 7 x 56 MVA  
TRANSFORMERS

We wish to advise that due to negotiations with the customer all ill-feeling between you, the customer and myself has been overcome. We suggest that a fresh start be made to establish friendly relationships.

20

We will attend to the question of the Micanite Bushing's 750 kV test value so please be assured that there will be no trouble in this connection.

The presence of Mr. Guillery has been of great importance in making a last effort to win back the Snowy, who definitely had decided to drop A.C.E.C. for all times because of the independent actions undertaken by certain Divisions.

30

Yours faithfully,

T.I. Guler.  
Director.

AUSTRALIA AND NEW ZEALAND BANK LIMITED  
(Incorporated in England)

P.O.Box 2520  
Sydney

MARTIN PLACE AND GEORGE STREET,  
SYDNEY.

10th May, 1957.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
A.N.Z. Bank  
Limited  
Sydney to  
Helios  
10th May  
1957

10 The Director,  
Helios Heavy Electrical Engineering  
Contracting Co. Pty. Ltd.,  
197 Victoria Avenue,  
CHATSWOOD.

Dear Sir,

BANK GUARANTEE £40,006.

We acknowledge receipt of your letter  
T.F.17/5893 of the 6th May in reference to the  
abovementioned Guarantee.

20 The document has been issued in terms of  
instructions received from Mr. Abbyad not in  
accordance with the terms of the draft enclosed  
with your letter.

In order to complete our records, when  
acknowledging receipt of the guarantee will you  
please complete and return the indemnity  
attached.

Yours faithfully,

(Sgd.) ?

For the Manager.

TF17/5932

13th May 1957.

30 The Manager,  
Australia & New Zealand Bank Ltd.,  
Box 2520, G.P.O.,  
SYDNEY.

Dear Sir,

BANK GUARANTEE £40,000

We acknowledge receipt of your letter of the

Letter  
Helios to  
A.N.Z. Bank  
Limited  
Sydney  
13th May  
1957

Defendants  
(Appellants)  
Exhibits

10th instant, together with the above Bank  
Guarantee for which we thank you.

The indemnity is returned herewith, duly  
completed.

Exhibit "4"  
(continued)

Yours faithfully,

Letter  
Helios to  
A.N.Z. Bank  
Limited  
Sydney  
(continued)  
13th May  
1957

T.I. Guler.  
Director.

Registered Air Mail

Letter  
Helios to  
S.M.H.E.A.  
13th May  
1957

TF17/5931

13th May, 1957.

Chief Electrical & Mechanical Engineer,  
Snowy Mountains Hydro-Electric Authority,  
Box 332, Post Office,  
COOMA NORTH. N.S.W.

10

Dear Sir,

CONTRACT 40006 - 7 x 56 MVA  
TRANSFORMERS  
PROGRESS PAYMENT NO.2.

We attach hereto our claim No.2 in  
triplicate for the sum of £38,862.17.1  
representing progress payments in respect of  
transformers being manufactured by A.C.E.C.  
under Contract No.40006.

20

Also attached is the requisite Bank  
Guarantee from the Australia & New Zealand Bank  
Ltd. for the sum of £40,000.

We trust that you will find these documents  
in order and shall be pleased to receive payment  
at the Authority's convenience.

Yours faithfully,

T.I. Guler.  
Director.

30

Defendants  
(Appellants)  
Exhibits  

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The following photo-copy has been  
allocated page number 729.

Exhibit 4  
(continued)

Enclosure with  
letter Helios  
to S.M.H.E.A.,  
Claim No. 2.

13th May 1957.

DUPLICATE

**SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY**  
COOMA, N.S.W.

S.M. Form No. 7017

Head Office

Registration No. \_\_\_\_\_ Consecutive No. \_\_\_\_\_

Local Office

Voucher No. \_\_\_\_\_ / \_\_\_\_\_

Date Received \_\_\_\_\_

CLAIMANT HELLOS HEAVE ELECTRICITY SUPPLY COMPANY LTD.  
(Block Letters) PTA. LTD.

ADDRESS TO WHICH CHEQUE IS TO BE FORWARDED 197 VICTORIA AVENUE Claimant's Reference

Contract No. 2  
N.S.W.

To be submitted in duplicate by Claimant.

L.O. No.	L.O.V. No.	Creditor Code No.	Treasury Classificat'n	Name of Account or Work (S.M.H.E.A. Use Only)	Work Order or General Service Account No.	Code No.			Amount			
						Account	Work Order	N. of T	£	s.	c.	

Date of Supply or Period of Service	Order No.	Folio and Item No. in Contract	Particulars	Amount		
				£	s.	d.
<u>13th</u>	<u>CONTRACT 10786</u>		<p><del>Delivered</del> <del>Goods</del> to _____ <del>Consigned</del></p> <p>Progress payments in respect of 56 HVA Transformers being manufactured under Contract No. 10,000.</p> <hr/> <p>10% P.O.D. contract value, Unit No. 1</p> <p>10% " " " " " 2</p> <p>10% " " " " " 3</p> <p>Payments based on Contract Document Schedule III, Section (ii), and equivalent to a total of Belgian Francs 4,352,039.2 at a rate of exchange of £1 to B.F. 112.</p>	15,545	2	10
				15,545	2	10
				1,772	11	5

Date Goods Received		£ 18,317 07 2
G.R.N. No.		
G.R.N. Initials		
V.D.B. Folio		
Vr. Checked in L.O. by		



**AUSTRALIA AND NEW ZEALAND BANK LIMITED**

Martin Place and George St.,  
SYDNEY.

9th May, 1957.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

The Secretary,  
Snowy Mountains Hydro-Electricity Authority,  
SYDNEY.

Sir,

Undertaking  
A.N.Z. Bank  
Limited  
Sydney to  
S.M.H.E.A.  
9th May  
1957

10

HELIOS HEAVY ELECTRICAL ENGINEERING  
CONTRACTING CO. PTY. LTD. on account of  
ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE  
CHARLEROI

20

At the request of the abovenamed Contractor and in consideration of The Snowy Mountains Hydro-Electricity Authority making progress payment to the said Contractor as provided by the Contract entered into or proposed to be entered into by the said Contractor with the said Snowy Mountains Hydro-Electricity Authority for the supply/delivery of 7 (Seven) Transformers in accordance with Contract No.40006, I have to inform you that Australia and New Zealand Bank Limited, Martin Place & George Street, Sydney, New South Wales, is holding at the disposal of the Snowy Mountains Hydro-Electricity Authority the sum of £40,000. (Forty thousand pounds--)

30

This sum will be so held by the Bank until notification has been received from you either that such deposit is no longer required by Snowy Mountains Hydro-Electricity Authority or until payment to the Authority by the Bank of the whole of the said sum.

Should the Authority notify this Bank that it desires payment to be made to it of the whole or any parts or part of the said deposit, such payment or payments will be made to the Authority forthwith without further reference to the Contractor, notwithstanding any notice given by him to the Bank not to pay same.

40

For Australia and New Zealand Bank Limited  
Claude Paul Becroft  
District Manager

Defendants  
(Appellants)  
Exhibits

P.O. BOX 332  
COOMA NORTH

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY  
COOMA NORTH, N.S.W.

Exhibit "4"  
(continued)

Letter  
S.M.H.E.A.  
to Helios  
21st May  
1957

In reply please quote  
AE.965

21st May, 1957.

Messrs. Helios Co. Pty. Ltd.,  
197 Victoria Avenue,  
CHATSWOOD, N.S.W.

Dear Sirs,

10

CONTRACT 40,006 - 7 x 56 MVA  
TRANSFORMERS FOR T1 POWER STATION

We thank you for your letter of 13th May, 1957 enclosing claim No.2 for £38,862.17.1 representing progress payments in respect of transformers being manufactured by A.C.E.C. under Contract No. 40,006.

Also we acknowledge receipt of Bank Guarantee from Australian and New Zealand Bank Ltd. for £40,000.

20

Your claim has been passed for payment and you may expect a cheque for the amount claimed in the next ten days.

Yours faithfully,

J. C. CALLINAN

Chief Electrical and Mechanical  
Engineer.

TF17/6008

VEX/OIP

23rd May, 1957.

533197

A.C.E.C.,  
Charleroi,  
BELGIUM.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Dear Sirs,

Letter  
Helios to  
A.C.E.C.  
23rd May  
1957

S.M.H.E.A. CONTRACT NO. 40,006.  
SEVEN 56 MVA TRANSFORMERS.

10 We acknowledge receipt of your letter of the  
7th instant and are gratified to learn that the  
copy of your letter No.530206 dated 9.4.56  
addressed to Mr. Frost has not yet been forwarded  
to the latter and is still in your possession.

In view of the present situation, we suggest  
that this copy be destroyed and any information  
required by Mr. Frost will be supplied by this  
office.

20 The position regarding Contract document  
40,006 is well known to Mr. Guillery who will no  
doubt have kept you fully informed. You will  
recall that the draft document was first sent to  
you for comment on 17th July, 1956. Nine months  
later, we received the first part of your comments  
with a promise of more to follow. Under normal  
and friendly relations with the Authority, this  
alone would have caused much harm and ill will.

30 In view of the strained relations that then  
existed as a result of opening up Unit No.7,  
however, the Authority would have found the  
situation intolerable, and we had no alternative,  
therefore, but to give our consent to the draft  
document and rely on the Authority's goodwill to  
settle outstanding points by negotiation.

With transformer tenders for T2 Power  
Station, due to close very shortly, we are most  
anxious to remain on excellent terms with the  
Authority and look forward to your wholehearted  
cooperation in this respect.

Yours faithfully,

40

T.I.Guler.  
Director.

Defendants  
(Appellants)  
Exhibits

HELIOS HEAVY ELECTRICAL ENGINEERING  
CONTRACTING CO, PTY. LTD.  
197 Victoria Avenue, Chatswood - JA 2592

Exhibit "4"  
(continued)

CONFIRMATION CABLE Transmitted 28/5/57.

Confirmation  
of Cable  
Helios to  
A.C.E.C.  
28th May  
1957

Telegraphic Address:  
VENTACEC  
CHARLEROI  
BELGIUM

Message:

SNOWY 40006 WHAT IS POSITION RE SHIPMENT  
UNITS 1 AND 2 PLEASE stop AUTHORITY ANXIOUS  
SHIPMENT BEFORE END JUNE IN ORDER TO PAY  
ADDITIONAL 20% F.O.B. PER UNIT ....ISTURK

10

Letter  
A.C.E.C.  
to Helios  
28th May  
1957

A C E C  
ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI  
Societe anonyme au capital de un Milliard de Francs

PG

BY AIR MAIL

HELIOS,  
HEAVY ELECTRICAL ENGINEERING  
CONTRACTING CO.,  
197 Victoria Avenue,  
CHATSWOOD, N.S.W.  
(Australia)

20

Votre Reference:  
TF 17/5906

May 28th, 1957

RE: 7-56 MVA TRANSFORMERS - CONTRACT 40 006  
SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY

Dear Sirs,

We have duly received your letter dated  
7th May 1957 regarding the above transformers.

30

We are surprised to hear from you that  
the copy of Dr. WILLHEIM's letter has not been  
received in your offices. We are hereto  
attaching another copy of this letter.

With regard to the progress payments, we wish to advise you that we are still awaiting the payment of £38 000 announced in your aforesaid letter. We shall write to you in the next days to thoroughly deal with the questions associated to progress of manufacture, claims and payments.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
A.C.E.C.  
to Helios  
(continued)  
28th May  
1957

10. In the meantime, we would like to receive as soon as possible the comments about this payment for which the Bank guarantee covering this amount has been carried out by us on the 14th of April.

Looking forward to hearing from you we are,  
Dear Sirs,

Yours faithfully,

(Sgd) ?

(Sgd.) ?

for ENGINEER for EXPORT ZONE MANAGER

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY  
COOMA NORTH, N.S.W.

P.O. BOX 332  
COOMA NORTH

20 In reply please quote  
AE966.

Letter  
S.M.H.E.A.  
to Helios  
29th May  
1957

Messrs. Helios Pty. Limited, 29th May, 1957.  
197 Victoria Avenue,  
CHATSWOOD. N.S.W.

Dear Sirs,

56MVA Transformers for T1 Power  
Station - Contract 40,006

30 Reference is made to your letter dated 17th May, relative to the transformer oil being provided by yourselves under the above Contract.

You are advised that the supply of Golden Fleece Tramor Transformer Oil to B.S.148-1951 derived from naphthene based crudes is acceptable under Contract 40,006.

Yours faithfully  
W. DIESENDORF  
for J.C. Callinan,  
Chief Electrical and Mechanical Engineer.

735.

Defendants  
(Appellants)  
Exhibits

A C E C  
ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI  
Societe Anonyme au Capital de un Milliard de Francs

Exhibit "4"  
(continued)

PG

BY AIR MAIL

Letter  
A.C.E.C.  
to Helios  
31st May  
1957

H E L I O S  
HEAVY ELECTRICAL ENGINEERING  
CONTRACTING Co.,  
197, Victoria Avenue,  
CHATSWOOD, N.S.W.  
(Australia)

10

May 31st, 1957

RE: 7 - 56 MVA TRANSFORMERS - CONTRACT No.40 006  
SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY.

Dear Sirs,

We have duly received your cable dated 28th inst. reading as follows:

"SNOWY 40 006 WHAT IS POSITION RE-SHIPMENT UNITS  
"ONE AND TWO PLEASE STOP AUTHORITY ANXIOUS SHIP-  
"MENT BEFORE END JUNE IN ORDER TO PAY ADDITIONAL  
"TWENTY PERCENT FOB PER UNIT"

20

to which we replied the same day:

"SNOWY 40 006 PLEASE ASK SHIPPING AUTHORIZATION  
"FOR ONE UNIT FOB EARLIEST AROUND 25/6 STOP  
"ASSUMING LUMLEY APPROVED AS INSURER STOP PLEASE  
"INFORM SMITH TOTAL LOAD OF UPPER PART CABLE BOX  
"WITHOUT PIRELLI TERMINAL 4000 LBS COMMA FROST  
"CONSENTS PROCEEDING MANUFACTURE SEVEN CABLE  
"BOXES AND THERMAL IMAGES OUR LETTER 983 of 29/3  
"STOP VICTORIA 54/55/1A SEVEN GASKETS AIRFREIGHTED  
"24/5 COMMA BUSHING 128 875 SUPPLIED BTH 1951  
"INTERCHANGEABLE WITH OURS".

30

According to the clauses No.23 and 13 of the General Conditions stated in the draft of contract, no material may be shipped without the consent of the Authority.

We would like to receive this authorisation from the customer as well as the approval about the insurance company who is assumed, in this case, to be LUMLEY.

Contractually, the payment of 80% per unit must be carried out against presentation of the shipping documents which, at the earliest, will reach you in the beginning of July.

However, we trust that this instalment of 20% will be granted to us, provided that the material be delivered FOB ANTWERP within June.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
A.C.E.C.  
to Helios  
(continued)  
31st May  
1957

We request you kindly to approach the Authority in this connection so that the payment be ascertained in due time.

10

We take this opportunity to let you know the various points which we intend to separately deal with in the next days.

1) Revision of the FOB and CIF basis prices:

on account of carriage of transformers filled with oil instead of nitrogen gas.

2) Payments:

progress payments need clarification. We will forward you an actual state showing the progress payments which from our point of view are due to us until the 30th of June.

20

3) Invoicing:

We will let you know our comments about the claim processing required by the Authority and we shall put forward a draft in order to get your approval prior to actual invoicing which will likely take place around the 25th of June.

4) Shipment:

The extent of the consignment regarding the proposed shipment will be clearly defined (main package, oil, ancillary equipment, spare parts if any....)

30

5) Amended works programme

giving the actual position of the manufacture already achieved as well as the programme still to be completed.

Defendants  
(Appellants)  
Exhibits

6) Oil

Expenses to be invoiced to HELIOS

Exhibit "4"  
(continued)

Assuring you of our best consideration, we remain, Dear Sirs,

Letter  
A.C.E.C.  
to Helios  
(continued)  
31st May  
1957

(Sgd.) ?

Yours faithfully,

(Sgd.) ?

for ENGINEER.

for  
EXPORT ZONE MANAGER.

Letter  
Helios to  
A.N.Z. Bank  
Sydney  
3rd June  
1957

TF17/6068

3rd June, 1957.

The Foreign Exchange Department,  
Australia & New Zealand Bank Ltd.,  
Martin Place & George St.,  
SYDNEY.

10

Dear Sirs,

Please find enclosed cheque for £38,862.17.1., which we would be pleased if you would transfer by cable to A.C.E.C., Charleroi, Belgium.

The attached Application for Foreign Currency Form provides all necessary information for this transfer.

20

Yours faithfully,

T.I. Guler.  
Director.



Defendants  
(Appellants)  
Exhibits

The following photo-copy has been  
allocated page number 738.

Exhibit 4  
(continued)

Enclosure with  
letter Helios  
to A. & N.Z.  
Bank, Sydney.

3rd June 1957.

Please ask  
Bank de l'Etat  
Gen. de Belgique  
S.A. (Charleroi)  
Rate 11148  
£1-10sh - cost of cable  
BF 4332430

NOTE.—This form should be used (in addition to application form A.1 or A.3) only where a payment in STERLING to a country outside the Sterling Area is involved.

Govt Rate approved 1/15  
Christie  
12 27 8 pm

AUSTRALIA

Application for Foreign Currency\*

47

\*"Foreign Currency" includes notes, coins, postal notes, money orders, bills of exchange, promissory notes, drafts, letters of credit and travellers' cheques, payable or expressed otherwise than in Australian money, and also includes rights, and instruments of title, to money other than Australian money.

NOTE: It is an offence under the Banking (Foreign Exchange) Regulations to make a false statement in this application.

Name of Bank and Branch. To AN.Z.BANK MARTIN PLACE.

Full Name (s). I/We HELIOS HEAVY ELECTRICAL ENGINEERING CONTRACTING CO.PTY.LTD.

Full Address. of 197 Victoria Avenue, CHATSWOOD.

State name and amount of currency. hereby apply for Foreign Currency amounting to BF equivalent £38,862.17.1

Telegraphic transfer, mail transfer, draft, letter of credit, etc., and where amount is to be credited to an a/c, show name and address of banker. State name and address of payee. in the form of ~~Import Licence No. 165264~~ Telegraphic Transfer

Give full particulars of transaction. for the purpose of Import Licence 165264

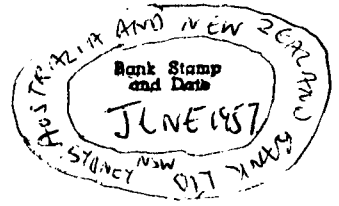
MESSAGE: PART PAYMENT CONTRACT 40006

I/We declare that:  
(a) the final destination of the said Foreign Currency is BELGIUM  
(b) I/we have not made any other application for Foreign Currency for the purpose stated.  
(c) I/we neither own nor have any interest in any Foreign Currency except as may have been obtained for other purposes under Part II of the Banking (Foreign Exchange) Regulations, or as stated on the reverse hereof.

Dated 3/6/57 (Signature of Applicant)

FOR BANK USE ONLY.

Application approved to the extent of BF equivalent £38,862.17.1.



(Signature of Authorising Officer)

**A C E C**  
ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI  
Societe Anonyme au Capital de un Milliard de Francs

Defendants  
(Appellants)  
Exhibits

AM.

BY AIRMAIL

Exhibit "4"  
(continued)

HELIOS,  
197, Avenue Victoria,  
CHATSWOOD  
..... (Australie)

Letter  
A.C.E.C.  
to Helios  
6th June  
1957

10 Notre Reference: 6th June 1957  
VEX/OIP/MI/2/BRU/I 92 260  
No 1062

Re: CONTRACT 40 006 - INSURANCE

Dear Sirs,

We beg to confirm our to-day's cable reading  
as follows:

20 " PLEASE CABLE CONFIRMATION INSURANCE PREMIUMS  
TENDER 40006 ARE IN ACCORDANCE 40006 NOT E60  
CONTRACTUAL VALUE 350000&A STOP MEETING LLOYD  
DELEGATE 11TH BUT LEAVE FULL INSURANCE  
CONTRACT TO YOU AS CONCLUSION DEPENDS YOUR  
EXPERIENCE LUMLEY OIP"

You will remember that according to our  
letter of 23rd November 1954 accompanying our  
tender it was arranged that the insurance premium  
covering the contractor's risks would be  
included by you in the tender price on the basis  
of Lumley's proposal dated 27th September 1954.

30 Now, for the good order sake, we would  
appreciate it if you would kindly confirm to us by  
cable return whether our assumptions as set out  
herein are right; owing to the importance of the  
contract involved we intend to discuss matters  
with the delegate of Lloyd's of LONDON around the  
11th instant, it being well understood that we  
leave it to you to undertake the final decision  
and assume the control and responsibility of the  
execution in the light of the pending claims  
having arised with outstanding contracts under  
40/ requested from here that you kindly keep on the

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
A.C.E.C.  
to Helios  
(continued)  
6th June  
1957

contacts you established with Lumley's since 1954 in respect of contract 40 006 and that you proceed with the undertaking of the insurance contract; a report about the question which will be examined here with the Lloyd's delegate will be submitted to you for your information.

In the meantime and prior to the visit of the said delegate we wish to ascertain how you are arriving at the figures stated in the tender.

- 1<sup>o</sup>) The offer of Lumley's as per its letter of 27th September is putting forward two alternatives, one to the specification 40 006 and the other in similar terms to the previous Contract E 60 10

Your quotation laid down in the schedule of prices is as follows:

- |     |   |   |          |    |
|-----|---|---|----------|----|
| (a) | Insurance to site including 12 months storage                               | : | LA 2.450 |    |
| (b) | Insurance during erection LA limited to 2 months per unit or 9 months total | : | LA 700   | 20 |

The basic rates upon which these amounts are based are stipulated in the contract:

- |                      |
|----------------------|
| 0.7 per cent for (a) |
| 0.2 per cent for (b) |

It is assumed that your figures are quoted from the alternative in accordance with contract 40 006 (not with E 60) and that your estimations as to the amount of storage and erection are: 30

- |          |   |                |
|----------|---|----------------|
| storage  | : | 12 months (.3) |
| erection | : | 8 months (.2)  |

It is also assumed that the contract value being taken into account by you is A£ 50 000, i.e. A£ 350 000 in all.

This figure should therefore be maintained in the insurance final policy since in principle the only possible variation of the selling price is according to the rate of premium but not otherwise. 40

We desire to point out that we do not see from here any other insurer than Lumley who could meet the contract requirements up to the same satisfactory extent. It is also to be feared that Lumley's tariff might be well increased if one reduces the total contract value from 7 transformers to only one as proposed by your cable of 29th May 1957 which we read as follows:

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
A.C.E.C.  
to Helios  
(continued)  
6th June  
1957

10 "SYDNEY 288 47 29 1645 VIA BELGO IMPERIAL  
SNOWY SHIP ONLY FIRST UNIT WITH LUMLEYS AS  
INSURERS REGARDING REMAINDER WE WILL INSTRUCT YOU  
WHETHER TO CHANGE INSURERS IT DEPENDS WHETHER  
LUMLEYS ARE PREPARED TO SETTLE CLAIM ON 8 DRY  
OUTS FOR TRANSFORMERS WHICH ARRIVED WITHOUT GAS  
STOP KINDLY ADVISE LUMLEYS ACCORDINGLY ISTURK"

20 However we shall leave the decision to you,  
depending upon your final judgment, it being  
reminded you will have to see to it that the price  
variation can be accepted by the customer and  
that the responsibility will be yours.

Thanking you for your full attention to this  
problem, we are, dear Sirs,

Yours faithfully,

(Sgd.) ?  
ENGINEER.

(Sgd.) ?  
for  
EXPORT ZONE MANAGER.

Defendants  
(Appellants)  
Exhibits

A C E C  
ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI  
Societe Anonyme au Capital de Un Milliard de Francs

Exhibit "4"  
(continued)

HO

BY AIR MAIL

Letter  
A.C.E.C.  
to Helios  
6th June  
1957

H E L I O S  
197, Victoria Avenue  
CHATSWOOD (N.S.W.)

Notre Reference:  
VEX/OIP/MF/No 1061  
92 259

(AUSTRALIE)

June 6th 1957

10

Re: 7 - 56 MVA TRANSFORMERS - CONTRACT 40 006 -  
SNOWY MOUNTAINS HYDRO ELECTRIC AUTHORITY -  
PAYMENTS

Dear Sirs,

Referring to the paragraph 2 of our letter  
n° 536 502 dated May 31st 1957 about the payments,  
we have pleasure in enclosing an actual statement  
showing the progress payments which from our  
point of view are due to us until the 30th of June.

20

We think that this document will be self-  
explanatory to you.

Considering that the financial year shall be  
finished at the end of this month, we would like  
you contact the Authority so that the progress  
payments being due be settled within this month.

We take the liberty to remind you that the  
amount of £38 000 which is mentioned in your  
letter of 7th May and ours of 28th May has not yet  
been received here.

30

We shall be glad to receive from you the  
comments about the attached statement and also  
concerning the £ 38 000 announced.

The withdrawal of the Bank Guarantee covering  
this amount will be effected unless we receive  
counter instructions from your end before the end  
of this month.

Assuring you of our best consideration, we remain, Dear Sirs,

Yours faithfully,

(Sgd.) ?

(Sgd.) ?

ENGINEER.

for EXPORT ZONE MANAGER.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
A.C.E.C.  
to Helios  
(continued)  
6th June  
1957

A C E C

Date: 6/6/1957

Enclosure  
with letter  
A.C.E.C.  
to Helios  
6th June  
1957

Number of 20 % payments: a) due on the 30th June 1957  
b) already made to-day

10

Trans- former No.	1st	2nd	3rd	On Ship- ment	Total due on 30/6/57	Payments assumed to have been made
1	x	x	x	x	4	2
2	x	x	x		3	1
3	x	x	x		3	1
4	x	x			2	1
5	x				1	1
6	x				1	1
7	x				1	1
<u>TOTAL</u>					<u>15</u>	<u>8</u>

20

(1) FOB value of one transformer without oil:

BF 4 352 640.- (basic price as per tender)

(2) 20 % FOB for one transformer :

4 352 640 x 0.2 = 870 528.- BF

Defendants  
(Appellants)  
Exhibits

(3) Payments received = 6 964 222.- BF

This payment is equivalent to 8 x (2) =  
8 x 870 528 = 6 964 224.- BF

Exhibit "4"  
(continued)

Total extra payment possible on the 30/6/57 :

15 x 870 528 - 6 964 224 = 6 093 696.-

Enclosure  
with letter  
A.C.E.C.  
to Helios  
(continued)  
6th June  
1957

HELIOS HEAVY ELECTRICAL ENGINEERING  
CONTRACTING CO. PTY. LTD.

197 Victoria Avenue, Chatswood - JA 2592

Confirmation  
Cable  
Helios to  
A.C.E.C.  
7th June  
1957

CONFIRMATION CABLE

Transmitted 7/6/57

Telegraphic Address:

VENTACEC  
CHARLEROI  
BELGIUM.

10

Message: INSURANCE PREMIUMS AS PER TENDER  
40006 ARRANGE INSURANCE ONLY FOR THE  
FIRST TRANSFORMER LUMLEY stop  
REGARDING REST SUBJECT LUMLEYS  
SETTLING CLAIMS UNPAID 13 MONTHS  
WITHIN 2 WEEKS....ISTURK.



A C E C  
ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI  
Societe Anonyme au Capital de Un Milliard de Francs

Defendants  
(Appellants)  
Exhibits

AM.

BY AIRMAIL

Exhibit "4"  
(continued)

MONSIEUR T. I. G U L E R  
c/o HELIOS  
197, Victoria Avenue  
CHATSWOOD (N.S.W.)  
(Australie)

Letter  
A.C.E.C.  
to Helios  
7th June  
1957

10

7 juin 1957

Mon cher Monsieur GULER,

Je suis bien rentre a CHARLEROI voici 3 jours  
apres un arret a BOMBAY, a KARACHI et a ISTANBUL.  
Je vous remercie encore de toutes vos aimables  
attentions pour moi durant mon sejour a SYDNEY.  
Je garde un souvenir particulierement agreable de  
ma derniere journee chez vous, dans cette  
atmosphere de charmante reunion familiale et je  
vous remercie mille fois encore, Madame GULER,  
vos amis et vous-meme d'etre tous venus  
m'accompagner a l'aeroport.

20

Votre lettre du 27 mai m'est bien parvenue  
a KARACHI. Merci pour les renseignements sur les  
affaires perdues. Je vous signale cependant que  
les puissances indiquees par vous a savoir (pour  
SOUTH AUSTRALIA)

3 x 100 MVA  
3 x 60 MVA  
3 x 100 MVA  
3 x 60 MVA (reactors)

30

ont fait hesiter mes services sur la determination  
des affaires en cause.

Nous supposons qu'il s'agit bien des specifi-  
cations 800 (3 x 67 MVA) - 801 (1 x 60 MVA et non  
3 x 60 MVA) 802 (3 x 24 MVA ou 7 x 8 MVA) reactors -  
803 (3 x 90 MVA)

Vous m'obligeriez en me confirmant d'urgence  
qu'il en est bien ainsi.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
A.C.E.C.  
to Helios  
(continued)  
7th June  
1957

Pour l'affaire de TASMANIE la puissance indiquée dans votre lettre concorde effectivement avec celle mentionnée dans la spécification no ED 1047. Toutefois vous dites que nous étions 20 % trop cher tandis que dans votre lettre A./6007 du 23/5.1957 vous indiquez que la commande a été passée à BROWN BOVERI à un prix par rapport auquel nous étions 10% plus haut. Lequel de ces deux chiffres est exact? La également il me serait agréable d'être rapidement fixe.

10

Enfin, on me demande à CHARLEROI la raison pour laquelle il n'a pas été fait usage de la suggestion qui vous était faite par la lettre no 957 du 4 mars 1957 de soumettre au client des offres remaniées qui sans doute auraient permis d'emporter ces affaires puisque nous étions prêts à baisser fortement nos prix.

On avait espéré ici que vos excellentes relations avec les clients intéressés auraient pu faire accepter une offre corrigée.

20

J'espère recevoir par retour un mot me documentant complètement sur les points faisant l'objet de la présente afin que je puisse répondre aux questions qui me sont posées.

D'avance je vous remercie vivement et je vous donne mon amical souvenir à partager avec vos aimables collaborateurs.

Votre

30

J. GUILLERY

Mes hommages les plus mieux à Madame Guler et mien d'anomer pour une réponse rapide!

J.G.

AUSTRALIA AND NEW ZEALAND BANK LIMITED  
(Incorporated in England)

CNR. MARTIN PLACE and GEORGE STREET  
SYDNEY P.O. BOX 2520  
SYDNEY

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

10th June, 1957.

10 The Secretary,  
Helios Heavy Electrical Engineering  
Contracting Co. Pty. Ltd.,  
197 Victoria Avenue,  
CHATSWOOD

Letter  
A.N.Z. Bank  
Sydney  
to Helios  
10th June  
1957

Dear Sir,

In terms of your requisition dated 3rd June,  
I have been pleased to cable the sum of  
B.F.4332430.96 to Banque de la Societe Generale de  
Belgique S.A. Charleroi for payment to A.C.E.C.  
Charleroi.

20 Cheque for £38862.17.1 represented the  
Australian equivalent of Belgium francs converted  
at 111.48 to £ Australian.

Cost of cable £1.10.- has been debited to  
your account.

Yours faithfully,

(Sgd.) ?

For the Manager

Defendants  
(Appellants)  
Exhibits

A C E C  
ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI  
Societe Anonyme au Capital de Un Milliard de Francs

Exhibit "4"  
(continued)

BM

BY AIR MAIL

Letter  
A.C.E.C.  
to Helios  
11th June  
1957

H E L I O S  
HEAVY ELECTRICAL ENGINEERING  
CONTRACTING COMPANY  
197, Victoria Avenue,  
CHATSWOOD.  
(Australie)

Notre Reference:  
VEX/OIP/MI.2/BRU n°1068  
I. 92 260

June 11th, 1957

10

RE : CONTRACT 40 006 - PAYMENTS.

Dear Sirs,

Further to our letter of 31st May 1957  
n° 536 052 and 6th June n° 536 612, we have  
cabled to you on the 11th June :

"40006 OUR LETTER 6th JUNE PAYMENTS DUE  
"PLEASE OBTAIN ONE ADDITIONAL 20 PER CENT  
"FOR UNIT No 4 CORRESPONDING 50%  
"MANUFACTURE ACHIEVED

20

Last week we received through the bank a  
payment notification for 4 332 430.96 BF.  
This is very close to 100 % FOB as per tender.

We should like to make it clear that  
besides the progress payments already made i.e.:

- 8 x 20 % FOB in 1956
- 5 x 20 % FOB last week

we consider that the following instalments  
may be claimed :

30

- (a) - 1 x 20 % FOB on delivery FOB of the first  
unit.
- (b) - 1 x 20 % FOB as 50 % manufacture of the 4th  
unit is now achieved.

It is assumed that payment as under (a) here-  
above will be granted even though the shipping

documents arrive in Australia after the 30th of June, provided that putting on board the ship in Antwerp occurs before the end of June.

The advancement of unit n<sup>o</sup> 4 will be certified by Lloyd's surveyors.

We would be pleased if you could apply for the above payments (a) and (b) and thank you very much for your attention in this connection.

We remain, dear Sirs,

Yours faithfully,

(Sgd.) ?

(Sgd.) ?

for  
ENGINEER.

for  
EXPORT ZONE MANAGER.

TF17/6126

12th June, 1957

A.C.E.C.,  
Charleroi,  
BELGIUM.

Letter  
Helios to  
A.C.E.C.  
12th June  
1957

Dear Sirs,

CONTRACT 40,006. 7 x 56 MVA TRANS-  
FORMERS

We would advise that we sent to you by Tele-  
graphic Transfer on 3rd June, the sum of  
B.F. 4332/430.96, being progress payments on the  
above transformers.

Yours faithfully,

T.I.Guler.  
Director.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
A.C.E.C.  
to Helios  
(continued)  
11th June  
1957

10

20

Defendants  
(Appellants)  
Exhibits

A C E C  
ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI  
Societe Anonyme au Capital de Un Milliard de Francs

Exhibit "4"  
(continued)

PG

BY AIR MAIL

Letter  
A.C.E.C.  
to Helios  
15th June  
1957

HELIOS  
HEAVY ELECTRICAL ENGINEERING  
CONTRACTING CO.;  
197 Victoria Avenue,  
CHATSWOOD, N.S.W.  
(Australia)

10

Notre Reference:  
VEX/OIP/MF/92 259  
No. 1073

June 15th, 1957.

Re: 7 - 56 MVA TRANSFORMERS - CONTRACT 40 006  
SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY

Dear Sirs,

Reverting to your letter dated 1st February to which was attached the Authority's letter regarding the "Delivery Advices", "packing specifications" and "invoices" to draw up at the time of shipment, we wish to advise you we are in agreement with the contents of the paragraphs (1) and (2) of the said customer's letter.

20

With regard to the paragraph (3) dealing with the invoicing of the above transformers, please find hereto attached our project of the claim that we intend to draw up as well as our comments in this connection.

According to the paragraph No. iii of the Authority's letter, the total contract value per transformer shall be one seventh of Item 2(a), (b), (c) of Schedule VII Section I (i.e. for material delivered FOB) together with one seventh of the FOB value of all variations orders.

30

As the oil - see item 2(b) - is purchased by your firm, we would remind you that it will be invoiced by HELIOS. Concerning this point, we shall separately write you in the very near future.

Comments related to the proposed claim:

(a) The total FOB contract value per transformer will thus be calculated as follows:

Tender FOB price increased by the following variations of order:

I.- Track gauge - see your letter No.4390 of 16/7.56

10 II.- Arrangement of L.V. and H.V. neutral bushing connectors - see your letter of 16/8.56.

III.- Extra for carriage with oil.

Considering that the transformers will be filled with 14 Tons of oil in the tank, the above point No.III includes extra expenses for:

- 1) Carriage from CHARLEROI to ANTWERP.
- 2) Loading on ship.

20 Regarding the modification of the track gauge, we remind you that the Authority has accepted the extra price figuring in the attached claim project.

We request you kindly to contact the Authority in order to receive the approbation on the invoicing of extra prices mentioned in the above points No.II and III.

(b) The amount stated in this paragraph includes the total contract value decreased by the value of cable-box and conservator which parts will be shipped separately.

30 (c) With regard to the freight charges for the shipment of transformer filled with oil, we propose to take into consideration the value mentioned in the paragraph A, Alternative A2, Schedule VII, Section II of our offer dated 24th November 1954, i.e. 460 000,- BF. This basic rate upon which this amount was calculated is 557 sh.6. In alternative, we suggest to invoice the freight at the cost price majored by 6% for our handling charges.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
A.C.E.C.  
to Helios  
(continued)  
15th June  
1957

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
A.C.E.C.  
to Helios  
(continued)  
15th June  
1957

(e) As you will note it, the amount for insurance mentioned in your quotation is increased by 10 600,- BF per unit. This amount includes the extra for insurance of oil and also to cover the extra due to the readjustment of price according to the DE 950 formulae. The readjustment DE 950 rate amounts to 20.39%. It is applied to the above FOB contract value, i.e. 4 371 180,- BF.

Important Remark:

In order to make sure that a 20% FOB payment could be got provided that the relevant despatch be effected FOB ANTWERP within the present month, if the payment is effectively granted irrespective of the fact that the shipping documents might reach the Authority beyond the end of June, then we would like to receive by cable the Authority's approbation concerning the extra stated in the paragraphs (a), (b), and (e) as well as your agreement on the way to draw up this invoice.

Trusting in your kind cooperation, we are,  
Dear Sirs,

Yours faithfully,

(Sgd.) ?

(Sgd.) ?

ENGINEER.

for  
EXPORT ZONE MANAGER

Enclosure  
with letter  
A.C.E.C.  
to Helios  
15th June  
1957

PROJECT OF CLAIM

a) Total FOB contract value per transformer but less oil:			
1) $\frac{272\ 040}{7} \times 112 =$	.....	<u>BF 4 352 640,-</u>	30
2) Variations of order:			
I.- Track-gauge: per unit		<u>BF 8 070,-</u>	
II.- Arrangement LV and HV neutral bushing:			
per unit .....		<u>BF 1 820,-</u>	
III.- Extra for carriage with oil: per unit		<u>BF 8 600,-</u>	
<u>TOTAL FOR CONTRACT VALUE PER TRANSFORMER:</u>	.....	<u>BF 4 371 130,-</u>	

10

20



753.

b) Declared FOB value of packages covered by this claim:

$$4\ 371\ 130 - 165\ 000 = \underline{\text{BF } 4\ 206\ 130,-}$$

c) 20% of (b) = 841 226,- BF = £A 7510.18.11

d) Marine freight - contract value per machine:

$$460\ 000 \times \frac{(b)}{(a)} = 460\ 000 \times \frac{4\ 206\ 130}{4\ 371\ 130} =$$

$$\underline{4\ 426\ 783,-\text{BF}}$$

e) Insurance to site - contract value per machine:

$$\left( \frac{2\ 450 \times 112}{7} + 10\ 600 \right) \frac{(b)}{(a)} = 49\ 800 \times \frac{4\ 206\ 130}{4\ 371\ 130}$$

$$= \underline{47\ 920,-\text{BF.}}$$

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Enclosure  
with letter  
A.C.E.C.  
to Helios  
(continued)  
15th June  
1957

10

We understand that the claim forms will be drawn up by you as for progress payments. We leave you the care to complete the paragraphs (f) and (g) of the customer's sample.

Moreover, we leave it to you to decide upon the above suggested value under paragraph (e) and we ask you to inform us by return cable of your decision in order to enable us to make proper arrangements and invoice.

20

TF17/6145

VEX/OIP/GY

18th June, 1957.

A.C.E.C  
Charleroi,  
BELGIUM.

Letter  
Helios to  
A.C.E.C.  
18th June  
1957

Dear Sirs,

S.M.H.E.A.-CONTRACT 40006 - 7 x 56 MVA  
TRANSFORMERS

30

Further to our letter of the 12th instant when we advised you that B.F. 4332430.96 (£38862.17.1) were transferred to you on the 3rd June, we wish to advise that we will invoice to the customer 20% on the first unit which amounts to £6500 approximately.

Defendants  
(Appellants)  
Exhibits

However, please bear in mind that it takes some considerable time to finalise payment claims and that adequate patience from your end would be appreciated.

Exhibit "4"  
(continued)

Yours faithfully,

Letter  
Helios to  
A.C.E.C.  
(continued)  
18th June  
1957

T.I.Guler.  
Director

Letter  
Helios to  
S.M.H.E.A.  
21st June  
1957

TF17/6200

21st June, 1957.

The Chief Electrical & Mechanical Engineer,  
Snowy Mountains Hydro Electric Authority,  
Box 332, Post Office,  
COOMA NORTH ... N.S.W.

10

Dear Sir,

INVOICE.

CONTRACT 40,006.-7-x 56 MVA TRANSFORMERS.  
PROGRESS PAYMENTS. TRANSFORMER NO.2.

We understand that Transformer No.2 will be shipped next week from Belgium and that we can now claim for a payment of 20% of the F.O.B. price on one unit.

20

20% of F.O.B. Contract Value of No.1 = £7,772.11.5

Amounts based on Contract Document Schedule VIII Section (ii) and equivalent to a total of Belgian Francs at a rate of exchange of BF112 = 1£A.

We shall invoice later the exchange rate variation invoice for the above amount.

We would be pleased to receive your payment as soon as possible.

Yours faithfully,

T.I.Guler.  
Director

30

755.

TF17/6203

21st June, 1957.

The Chief Electrical Engineer,  
Snowy Mountains Hydro Electric Authority,  
Box 332, Post Office,  
COOMA NORTH ... N.S.W.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Dear Sir,

INVOICE  
PROGRESS PAYMENT 4th transformers  
CONTRACT 40,006. 7 x 56 MVA TRANSFORMERS  
FOR T.1.

Letter  
Helios to  
S.M.H.E.A.  
21st June  
1957

10

A.C.E.C. have advised us that Unit No.4 is now 50% completed and that we are qualified to claim for a payment of 20% of this unit

20% of Contract F.O.B. value of Unit No.4 =  
£7,772.11.5.

Amounts based on Contract Document, Schedule VIII Section (ii) and equivalent to Belgian Francs at a rate of 112 B.F. equals 1£A.

20 We shall invoice later the exchange rate variation invoice for the above amount.

We would be pleased to receive your payment as soon as possible.

Yours faithfully,

T.I.Guler.  
Director

756.

Defendants  
(Appellants)  
Exhibits

TF17/6233

25th June, 1957

Exhibit "4"  
(continued)

Letter  
Helios to  
A.C.E.C.  
25th June  
1957

A.C.E.C.  
Charleroi,  
BELGIUM.

Dear Sirs,

SMHEA - SPECIFICATION NO. 40006  
7 x 56 MVA TRANSFORMERS FOR TL POWER  
STATION

This is to advise that we have claimed  
for 20% of Unit No.1 and 20% of Unit No.4.

10

As soon as we receive payments, we shall  
submit them to you. However, it may be  
possible to lodge guarantees to the extent of  
the sums, a point which will be communicated  
to you very shortly.

We think that it may take a few weeks to  
obtain payments.

Yours faithfully,

T.I.Guler.  
Director

20

757.

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY

COOMA NORTH, N.S.W.

In reply please quote

AE965

28th June, 1957

The Director,  
Helios Pty.Ltd.,  
197 Victoria Avenue,  
CHATSWOOD. N.S.W.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued

Letter  
S.M.H.E.A.  
to Helios  
28th June  
1957

10 Dear Sir,

Contract 40,006 - 56 MVA Transformers  
for TL Power Station

Your letters of the 21st June, 1957 covering 20% Progress Payments for the Unit No.4 and Unit No.1 are acknowledged.

20 It is pointed out, however, that the necessary Bank Guarantees covering amounts claimed have not been included and it is presumed that these will be forthcoming within the next day or two.

It is agreed that a further 20% Progress Payment may be made against Unit No.4 to bring the total payment for this unit up to 40% but your claim against Unit No.1 is not understood as the Authority has already made payments up to 60% against both Units 1 and 2 and any further payment for these units will be the payment on shipment and as described in our letter of the 10th January 1957 which sets out the required

758.

Defendants  
(Appellants)  
Exhibits

method of submitting invoices under all circum-  
stances of Contract 40,006

Exhibit "4"  
(continued)

Yours faithfully,

Letter  
S.M.H.E.A.  
to Helios  
(continued)  
28th June  
1957

J. C. Callinan

Chief Electrical & Mechanical  
Engineer

Defendants  
(Appellants)  
Exhibits

The following three photo-copies have  
been allocated page numbers 759, 760 and  
761.

Exhibit 4  
(continued)

Letter - Guler  
to Guillery.

1st July 1957.

Helios  
Letter to Gully

52.

Gully  
1-7-57

Je termine cette affaire en obligeant  
pour une semaine avant que  
j'informe <sup>précisément</sup> le Snowy que nous  
ne serons pas en position de changer  
les conditions.

À l'avenir si vous décidez  
cette affaire avec les mêmes conditions  
réflectez je vous prie de ne pas  
perdre du temps dans la préparation  
de devis - car - c'est du travail  
sans résultats.

Payments:

Snowy: J'espère de recevoir 20% pour  
N° 1 et 20% pour N° 4  
prochainement

Victoria: M'ont promis de payer  
59/55/1A en 15-7-57 - 1-8-57  
et je pense que ce délai  
court ne va pas justifier  
de préparations de tranches

EC NSW  
NSW

ne peuvent rien payer  
pour 1 mois avant qu'ils  
reçoivent l'argent pour 1557/55  
du "Loan Council."

EC W.A

Dans 4-6 semaines ils  
doivent être payés de 1557/55



1-7-57

Cher Mr Guillery.

Je viens de recevoir un tas de  
télégrammes exprimant le nervosité  
des ACEC. Franchement les ACEC ont  
tort et ils insistent aveuglément.

1- Snowy

Vous l'avez constaté que les clients ne  
sont pas intéressés de considérer des  
affaires qui ne conformément pas à la  
Specification. Dans un temps on  
les Anglais sont consolidés dans  
tous les points de la Specification  
et expriment leur accord général  
Je pense que l'attitude négative  
des ACEC a des raisons spéciales  
que j'ignore. Est ce que les ACEC  
pensent que je joue un jeu de diabol  
quand je suis en conférence avec la  
Snowy. Vous connaissez les relations  
que j'ai avec Mr Callinan etc  
Si ces gens me disent "either you  
change your clauses - or you tender  
is battered up". "Battered up  
means,

Je ne vois pas des dangers aux  
ACEC - sauf les responsabilités  
des dessins fantaisie

Veuillez trouver v.p. le copie  
(non st. confidentielle) de me

Mr. G. ...  
je me refuse à la licence  
pour ces raisons  
Je me refuse à la licence  
pour ces raisons

La raison principale de ces délais sont  
les non-livraisons des équipements de  
commandes - etc.

Enfin, il n'est pas très  
agréable que je presse le client chaque  
jour pour l'argent que nous promet  
de payer telle et telle date.  
Les contrats sont presque finis (excepté  
Snow) et les paiements finaux  
doivent être réglés dans l'avenir proche.

Je regrette infiniment la mort de  
M. Chevalier, c'est une perte très  
sérieuse - malgré ses spécificités  
je l'aimais sincèrement. Qui sera  
son successeur?

Vous serez intéressés de savoir  
que dans le temps de T2 Teranti  
a fait un dumping mais nous ne  
sommes pas en l'air écartés. Je  
s'espère que votre santé est très  
bonne et que vous tachez de  
réduire la tension dans le Vail/010

Je me salue très extensivement  
Calme. Cependant si les prix des  
ACEC ou les conditions causeront  
des problèmes de stabilité et que non

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
Helios to  
A.C.E.C.  
9th July 1957

Sole  
Australian  
Agent for  
A.C.E.C.  
Charleroi,  
Belgium.

Our Ref:  
TF17/6293  
1074

A.C.E.C.,  
Charleroi,  
BELGIUM.

H E L I O S  
HEAVY ELECTRICAL ENGINEERING  
CONTRACTING CO. PTY. LTD.  
DIRECTOR: T.I.GULER, ENG.  
197 VICTORIA AVENUE  
CHATSWOOD, N.S.W.

Your Ref:  
VEX/OIP/GY

9th July, 1957

10

Dear Sirs,

S.M.H.E.A. - CONTRACT 40006 - 7 x 56 MVA  
TRANSFORMERS

With reference to the above Contract we would be pleased if you would establish a Bank Guarantee for the sum of £15,545.2.10. which represents 20% of F.O.B. contract value for Units No. 1 and 4.

Your advice on this matter would be appreciated. 20

Yours faithfully,  
(Sgd.) T.I.Guler

T.I.Guler  
Director.

TIG/EMB

Letter,  
S.M.H.E.A.  
to Helios  
12th July 1957

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY  
COOMA NORTH, N.S.W.

AE 965  
Your Ref: TF17/6272

12th July, 1957

The Director,  
Helios Pty. Ltd.,  
197 Victoria Avenue,  
CHATSWOOD.

30

Dear Sir,

Contract 40,006 - Transformers for T.1 Power  
Station

We acknowledge your letter of 4th July, 1957 enclosing signed "Duplicate" Variation Order No.2 for the above Contract.

In its present form the Variation Order is not acceptable to the Authority as you have signed as Contractor.

Defendants  
(Appellants)  
Exhibits

We would appreciate you signing the Variation Order "for and on behalf of Ateliers De Constructions Electriques De Charleroi under Power of Attorney".

Exhibit 4  
(continued)

You will notice that the date of signature is shown as 4. 7.56.

Letter,  
S.M.H.E.A.  
to Helios  
(continued)

Please return at your earliest convenience Variation Order signed in the manner requested above.

12th July 1957

10

Yours faithfully,  
(Sgd.) J.C.Callinan

J.C.Callinan  
Chief Electrical and Mechanical Engineer.

TF17/6361

AE 965

16th July, 1957

Letter,  
Helios to  
S.M.H.E.A.

16th July 1957

The Chief Electrical & Mechanical Engineer,  
Snowy Mountains Hydro Electric Authority,  
P.O. Box 332,  
COOMA NORTH. N.S.W.

20

Dear Sir,

CONTRACT 40,006. 7 x 56 MVA TRANSFORMERS

We refer to your letter of 12th instant, enclosing Variation Order for the above contract.

We wish to advise that Helios Co. is supplying the oil for these transformers and not A.C.E.C. as it is purchased locally from Australia and therefore it will be necessary to consider the variations regarding oil as a matter between this Company and the Snowy.

30

Would you kindly advise us your opinion as soon as possible.

Yours faithfully,

T.I.Guler.  
Director.

Respondents  
(Appellants)  
Exhibits

SNOWY MOUNTAINS HYDRO ELECTRIC AUTHORITY  
COOMA NORTH, N.S.W.

AE965

19th July, 1957

Exhibit 4  
(continued)

The Director,  
Helios Pty. Ltd.,  
197 Victoria Avenue,  
CHATSWOOD. N.S.W.

Letter,  
S.M.H.E.A.  
to Helios

Dear Sir,

19th July 1957

Contract 40,006 - 7/56 MVA Transformers

Your letter of the 16th July in connection with 10  
Variation Order No.2 is acknowledged. In view of the  
recent information to hand regarding revised quantities  
of oil, Variation Order No.2 is herewith withdrawn.  
It would be appreciated if you would provide the  
necessary revised details exactly as set out in your  
letter of the 28th May, 1957 so that a revised  
Variation Order No.2 may be prepared and issued. The  
fact that Helios may be supplying the make-up oil for  
the transformers from Australian sources does not  
affect the Contract and the arrangement would be 20  
regarded as being entirely between yourself and your  
principals, A.C.E.C., so that it will be necessary  
for you to sign all contractual agreements including  
variation orders in accordance with our request of  
the 12th July, 1957.

Your attention is drawn also to the necessity of  
keeping the Authority fully advised as regards your  
intention of shipping any equipment under Contract  
40,006 and in this respect the lack of accurate  
information in regard to the position of Nos. 1 and 2 30  
transformers is a serious omission on your part. In  
the same context your attention is drawn to Clause  
S.13(4) of Contract 40,006 and you are requested to  
provide forthwith and in full detail the information  
requested therein.

Your advice contained in your letter of the 16th  
July, 1957 that A.C.E.C. main works have been on  
strike since 21st June, 1957 has been duly noted.

Yours faithfully,

(Sgd.) J.C.Callinan

40

J. C. Callinan  
Chief Electrical & Mechanical Engineer.

TF/17/6384

VEX/OIP/GY

22nd July, 1957

Defendants  
(Appellants)  
Exhibits

1089

A.C.E.C.,  
Charleroi,  
BELGIUM.

Exhibit 4  
(continued)

Dear Sir,

Letter,  
Helios to  
A.C.E.C.

CONTRACT NO. 40,006 - 7 x 56 MVA TRANSFORMERS  
FOR T1 POWER STATION

22nd July 1957

10 Please find enclosed a letter we received from  
Snowy Mountains Hydro-Electric Authority dated 12th  
July, 1957, re the above contract.

We would be pleased to receive your comments as  
soon as possible.

Yours faithfully,

TIG/MB

T.I.Guler.  
Director.

ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI  
AM.

BY AIR MAIL

Letter,  
A.C.E.C. to  
Helios

20

HELIOS,  
197, Victoria Avenue,  
CHATSWOOD (Australie)

8th August  
1957

VEX/OIP/MI/2/SH/I 92 259  
No. 1133

TF 17/6271  
8th August, 1957

Re: S.M.H.E.A. - CONTRACT 40 006 - 7x56 MVA TRANSFORMERS

Dear Sirs,

We duly received your letter reference as above  
with the attached letter from the SNOWY Authority dated  
July 26th.

30

In reply to the first question put, viz. dimensions  
of the lifting beam and associated links, please note  
that we have airmailed to you on August 6th, per  
registered post 3 copies of the dimensional drawing  
No.4492 165a which is the revised issue of the drawing  
submitted previously and which is numbered 4 492 165.

Defendants  
(Appellants)  
Exhibits

Please submit this revised drawing for approval and let us have the Authority's comments at your earliest convenience.

Exhibit 4  
(continued)

So far as the listed procedure required is concerned for moving the transformer from COOMA to site, we leave you the care of answering yourselves this question as you deal yourselves with the problems of transport in AUSTRALIA.

Letter,  
A.C.E.C.  
to Helios  
(continued)  
8th August  
1957

Wishing you a good receipt of the drawing 4 492 165a and looking forward to hearing from you, we remain, dear Sirs,

10

Yours faithfully,

(Sgd.)

(Sgd.)

ENGINEER.

EXPORT ZONE MANAGER.

Confirmation,  
Cable,  
Helios to  
A.C.E.C.

HELIOS HEAVY ELECTRICAL ENGINEERING  
CONTRACTING CO. PTY. LTD.  
197 Victoria Avenue, Chatswood.

12th August  
1957

CONFIRMATION CABLE/LT

Transmitted 12/8/57

Telegraphic Address:

VENTACEC  
CHARLEROI BELGIUM

20

Message:

40006 CABLE QUANTITY OIL PER TRANSFORMER  
MAIN PACKAGE stop CABLE BOX stop FILL UP  
AND ALSO FIRM QUANTITY FOR COMPLETE TRANSFORMER  
IN GALLONS stop WE SHALL INVOICE SNOWY FOR  
YOUR STATED QUANTITY stop ANY EXCESS QUANTITY  
RECEIVED BY YOU FROM UK WILL BE CHARGED TO YOU  
stop T2 TRANSFORMER E0007 CABLE PRICES SIX  
TRANSFORMERS IDENTICAL 40006 T1 Stop ALSO SIX  
TRANSFORMERS TO EMO07 T2 RATING HOWEVER  
EXTERNAL CONNECTIONS PIPES AND CONSTRUCTION  
AND SIZES IDENTICAL TO T1 40006 TRANSFORMERS  
URGENT  
..... ISTURK

30

TF17/6507

12th August, 1957

Defendants  
(Appellants)  
Exhibits

1115

A.C.E.C.,  
Charleroi,  
BELGIUM.Exhibit 4  
(continued)

Dear Sirs,

Letter,  
Helios to  
A.C.E.C.CONTRACT 40,006. 7 x 56 MVA TRANSFORMERS.  
OIL.12th August  
1957

10 As we are in the process of invoicing for oil  
under the above Contract, we require the following  
firm quantities:-

	<u>In Gallons</u>
Main package as for shipment	?
Conservator	?
Cable Box	?
Make up at Cooma	
TOTAL QUANTITY (Gallons)	?

20 We shall invoice as per your quantities and any  
quantities in excess of those referred to us  
delivered from U.K. will be charged to you.

We would be obliged to receive your prompt  
reply to the above and remain,

Yours faithfully,

TIG/TH

T.I.Guler.  
Director.

TF17/6519

13th August, 1957

Letter,  
Helios to  
A.C.E.C.

1123

A.C.E.C.,  
Charleroi,  
BELGIUM.13th August  
1957

30

Dear Sirs,

SNOWY MOUNTAINS. CONTRACT NO.40,006  
SHIPMENT OF FIRST TRANSFORMER NO.2 EX "LEIPZIG".

We would advise that we have received your vari-  
ation invoice of the 1st of August, 1957 for the above  
shipment.



Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
Helios to  
A.C.E.C.  
(continued)

13th August  
1957

May we ask you to send us your calculation sheet showing how you arrived at the figure of 848.740 B.F. The customer may ask us for this clarification.

We would also be pleased to know whether our Commission is included in the variation.

On the 24th November 1954 you quoted 4275000 B.F. as unit price F.O.B., which did not include our Commission. We tendered as per Schedule 8(ii).

$$\frac{272040 \times 112}{7} = 4.352.640$$

10

$$\begin{array}{r} 4352640 \\ - 4275000 \\ \hline 77640 \end{array}$$

which represents our Commission per unit or

$$\frac{77640 \times 100}{4352640} = 1.7837\%$$

Therefore it is assumed that your Variation Invoice 3443 includes an amount for ourselves amounting to 1.7837%.

20

Thanking you, we remain,

Yours faithfully,

TIG/TH

T.I.Guler  
Director.

Translation,  
Letter,  
Guillery to  
Guler

JULES E. GUILLERY

Charleroi

31st August 1957

31st May 1957

My Dear Mr. Guler,

Please excuse me if I did not answer earlier your letter of 29th July 1957 AL/6426 about the forced resignation of Major Cook from the Chamber of Commerce - the necessary action has been taken immediately and all what I can say is that we do not succeed in having the decision of Mr. Querton cancelled, at least can we hope that some kind of temporary assignment will intervene to save the situation of the Chamber. I am in constant contact with some high personalities, officials of the Government, and also with Mr. Hanon of Univerbel

30

(the firm of which the President of the Chamber, Mr. Segaus, is the agent in Australia) and, believe me, we do not spare any effort to achieve some result.

Defendants  
(Appellants)  
Exhibits ..

10 I would like to take the opportunity of the present letter to thank you again for your previous assistance in all fields and to congratulate you sincerely for your success, finally, in getting the order for the capacitor's bank! Wonderful! You were really wonderful. Major Cook also deserves some thanks but he is the only one, besides you!!

Exhibit 4  
(continued)  
Translation,  
Letter,  
Guillery to  
Guler  
(continued)

20 As regard other deals, I got your letter about Yallourn E. Your reproach of lack of co-operation from A.C.E.C. is not fully deserved by Mr. Demiches and myself nor A.C.E.C. in general, considering that the Director of GM himself went to Australia on that occasion - Mr. Demiches and myself must have some conference on the subject and there we will answer your letter officially regarding other similar deals for generators (T2 etc.).

30 The reason for my late answer to your letter is that I have been very little in Charleroi recently - after my leave from 13th July to 4th August, I have been twice in Paris (10 days altogether) once in London (7 days) once in Zurich (2 days) and tomorrow I am leaving for Paris again. The reason is the order for 50 locomotives A.C. 50 cycles which was passed this month to the group of manufacturers (AEG Siemens Anthon - Brown Boveri - A.C.E.C. etc.) constituted for that kind of material. The share of A.C.E.C. is around 30 million francs - the order will be doubled if not tripled before the end of September. It comes from Indian Railways. A good result for my zone! Prices and payment conditions are 1st class.

31st August  
1957

Kind regards to Mrs. Guler, a kiss to the lovely children!

Yours sincerely,

J.E. Guillery.

---

Defendants  
(Appellants)  
Exhibits

AUSTRALIA AND NEW ZEALAND BANK LIMITED  
MARTIN PLACE AND GEORGE STREET,  
SYDNEY.  
s NT/MM  
2nd September, 1957.

Exhibit 4  
(continued)

Letter,  
ANZ Bank,  
Sydney,  
to Helios  
2nd September  
1957

The Director,  
Helios Heavy Electrical Engineering Contracting  
Co.Pty. Ltd.,  
197 Victoria Avenue,  
CHATSWOOD. N.S.W.

Dear Sir,

Bank Guarantee £15,545. 2.10.

10

Please refer to our letter of the 21st August in connection with a proposed Guarantee to be issued to the Snowy Mountains Hydro-Electricity Authority.

In accordance with your telephone request, we communicated with the bankers for Ateliers de Constructions Electriques de Charleroi, who have agreed to the omission of an expiry date on the Security.

Enclosed please find our Bank Guarantee No. KA/618 duly executed by this Bank's Attorney.

20

Will you please acknowledge receipt and also complete and return the indemnity forwarded with our previous letter.

Yours faithfully,

(Sgd.)

Sub-Manager.

---

AUSTRALIA AND NEW ZEALAND BANK LIMITED  
MARTIN PLACE AND GEORGE STREET,  
SYDNEY

28th August, 1957.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

The Secretary,  
Snowy Mountains Hydro-Electric Authority,  
SYDNEY.

Bank Guarantee  
enclosed with  
letter, ANZ  
Bank, Sydney  
to Helios

2nd September  
1957

Sir,

10

HELIOS HEAVY ELECTRICAL ENGINEERING  
CONTRACTING CO.PTY. LTD. on account of  
ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE  
CHARLEROI

20

At the request of the abovenamed Contractor and in consideration of The Snowy Mountains Hydro-Electricity Authority making progress payment to the said Contractor as provided by the Contract entered into or proposed to be entered into by the said Contractor with the said Snowy Mountains Hydro-Electricity Authority for the supply/delivery of 7 (seven) Transformers in accordance with Contract No.40006, I have to inform you that Australia and New Zealand Bank Limited, Martin Place and George Street, Sydney, New South Wales, is holding at the disposal of the Snowy Mountains Hydro-Electricity Authority the sum of £15545.2.10. (Fifteen thousand five hundred and forty five pounds 2/10.)

30

This sum will be so held by the Bank until notification has been received from you either that such deposit is no longer required by Snowy Mountains Hydro-Electricity Authority or until payment to the Authority by the Bank of the whole of the said sum.

40

Should the Authority notify this Bank that it desires payment to be made to it of the whole or any parts or part of the said deposit, such payment or payments will be made to the Authority forthwith without further reference to the Contractor, notwithstanding any notice given by him to the Bank not to pay same.

Witness:  
R. VOCKLER (Sgd.) D.G.WOODROW  
LIMITED  
District Manager.

773.

Defendants  
(Appellants)  
Exhibits

HC

BY AIR MAIL

Exhibit 4  
(continued)

1722

HELIOS  
197, Victoria Avenue,  
CHATSWOOD (N.S.W.)  
(AUSTRALIE)

Letter,  
A.C.E.C.  
to Helios  
4th September  
1957

VEX/OIP/MI-2/MF/No.1172  
92 259  
545508

September 4th 1957

RE: 7 - 56 MVA TRANSFORMERS - SPEC. 40 006  
SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY

10

Dear Sirs,

We have duly received your cable of the 30th August worded as follows:

"40006 BANK GUARANTEE SNOWY DOES NOT ACCEPT GUARANTEE  
"WITH EXPIRY DATE STOP CABLE TO DELETE EXPIRY DATE  
"CLAUSE"

On the 23rd August, we were informed of this subject from the Bank of the "Societe Generale de Belgique".

Accurate instructions have been given on the 20 24th ult. to our Bankers in order to delete the expiry date.

We think that the Authority is now in possession of a new guarantee letter, amended as required.

Hoping this information will be found suitable for the purpose, we are, Dear Sirs,

Yours faithfully,

ENGINEER.

EXPORT ZONE MANAGER.

Defendants  
(Appellants)  
Exhibits

The following photo-copy has been  
allocated page number 774.

Exhibit 4  
(continued)

Application  
for Foreign  
Currency by  
Helios to A.  
& N.Z. Bank,  
Sydney.

11th September  
1957.

*lease to SA bhosson 9822/87*  
*de la Soc*  
*Belgique*  
*119.69 BF1087244*  
*at*

*D 125/7/6*  
EXCHANGE CONTROL FORM A1

AUSTRALIA

Application for Foreign Currency\*  
(Other than for Travelling).

\* "Foreign Currency" includes notes, coins, postal notes, money orders, bills of exchange, promissory notes, drafts, letters of credit and travellers' cheques, payable or expressed otherwise than in Australian money, and also includes rights, and instruments of title, to money other than Australian money.

NOTE: It is an offence under the Banking (Foreign Exchange) Regulations to make a false statement in this application.

Name of Bank and Branch.  
Full Name(s).  
Full Address.

To A.N.Z. Bank Limited, Martin Place & George St., Sydney.  
†/We Helios Heavy Electrical Engineering Contracting Co. Pty. Ltd.  
of 197 Victoria Avenue, Chatswood.

State name and amount of currency.

hereby apply for Foreign Currency amounting to Nine Thousand Eight Hundred and Twenty Two Pounds Eight Shillings and Sevenpence.

Telegraphic transfer, mail transfer, draft, letter of credit, etc., and where amount is to be credited to an a/c. show name and address of banker. State name and address of payee.

in the form of Telegraphic Transfer  
A. B. B B bhosson

Give full particulars of transaction.

for the purpose of Import Licence No. 039706

Message: 40006  
know no extent and  
auth only

*Refused*

I/we declare that:  
(a) the final destination of the said Foreign Currency is Belgium.  
(b) I/we have not made any other application for Foreign Currency for the purpose stated.  
(c) I/we neither own nor have any interest in any Foreign Currency except as may have been obtained for other purposes under Part II of the Banking (Foreign Exchange) Regulations, or as stated on the reverse hereof.

Dated 11/9/57  
*[Signature]*  
(Signature of Applicant)

FOR BANK USE ONLY.

Application approved to the extent of BF equivalent 9822-8-7



*[Signature]*  
(Signature of Authorising Officer)

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY  
COOMA NORTH, N.S.W.

Defendants  
(Appellants)  
Exhibits

AE.965

Your Ref. TF17/6506

12th September, 1957

Exhibit 4  
(continued)

The Director,  
Helios Heavy Electrical Engineering  
Contracting Co.Pty. Ltd.,  
197 Victoria Avenue,  
CHATSWOOD. N.S.W.

Letter,  
S.M.H.E.A.  
to Helios  
12th September  
1957

10 Dear Sir,

Contract 40,006  
Transformers for T.1 Power Station

We wish to advise that your claim for £15,545.2.10 enclosed in your letter of 12th August, 1957 has been passed for payment.

You may anticipate a cheque for the above amount within the next ten days.

Your claim has been amended to cover 20% of Unit No.3 in lieu of Unit No.5.

20 We acknowledge receipt of Bank Guarantee No. LA/618 dated 28th August, 1957, amounting to £15,545.2.10 to cover the progress payments.

The first Guarantee for £62,180.11. 2 is reduced by £6,344.11. 4 and second Guarantee for £40,000 is reduced by £12,689. 2. 8 as from 2nd September, 1957 being delivery date Cooma of No.2 Transformer.

The Bank will be advised.

Yours faithfully,

(Sgd.) J.C.Callinan,

30

J.C.Callinan,  
Chief Electrical and Mechanical  
Engineer.

---



Defendants  
(Appellants)  
Exhibits

TF17/6682

12th September, 1957

Exhibit 4  
(continued)

Foreign Exchange Department,  
Australia & New Zealand Bank Ltd.,  
Martin Place & George Street,  
SYDNEY.

Letter,  
Helios to  
ANZ Bank,  
Sydney  
12th September  
1957

Dear Sirs,

Please find enclosed our cheque for £9822.8.7.  
which we would be pleased if you would transfer to  
A.C.E.C., CHARLEROI, BELGIUM, at the most favourable  
exchange rate.

10

Also enclosed is the application form which has  
been duly signed and completed.

Yours faithfully,

EMB.

T.I.Guler,  
Director.

Letter,  
Helios to  
A.C.E.C.  
13th September  
1957

TF17/6691  
1165

VEX/OIP

13th September, 1957

A.C.E.C.,  
Charleroi,  
BELGIUM.

20

Dear Sirs,

S.M.H.E.A. - CONTRACT 40006 - 7 x 56 MVA  
TRANSFORMERS

We cabled you recently that, when unloading in  
Sydney, the first unit of the above Contract, the  
gas valve was knocked off. We also informed you of  
our intention to circulate the oil by means of the  
Streamline.

However, at the time we were of the opinion  
that the windings were completely covered by oil.  
Subsequent investigation has shown a good possibility  
that portion of the windings may have been exposed  
to air in the space above the oil.

30

The oil level in the unit was measured as being 14 inches below the inside of the tank at the point of attachment of the gas valve. We urgently require your confirmation as to whether or not the windings would be completely covered at this oil level as the treatment given the transformer (described below) allowed only for extraction of moisture from the oil.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
Helios to  
A.C.E.C.  
(continued)

13th September  
1957

10 In the meantime we have circulated the oil by means of the Streamline with vacuum applied to the tank. The temperature of the Transformer was not particularly high as is required by a complete dry-out and of course megger readings were not taken.

The dielectric strength of the oil was increased from 39kV (3 mm gap), to a point where we could not break it down with the standard 50kV Test Set. At this stage we deemed our mission, i.e. treatment of oil, was complete.

20 The Transformer was topped up to a level of 6 inches below the tank where the gas valve is fitted and dry nitrogen admitted to a pressure of  $3\frac{1}{2}$  lbs.

However, we feel that due to the relatively small gas space in the Transformer changes in temperature will cause expansion of oil and consequently large gas pressure which may be injurious to the relevant gaskets. In fact we suggest a conservator be fitted to act as an expansion chamber for the nitrogen.

30 We would also bring to your attention the responsibility of costs incurred for the work carried out in respect to the damage stated. The Insurance Company does not feel responsible and contractually we are not expected to carry out repairs caused by damage in transit.

We would be pleased if you give these matters your undivided attention.

Yours faithfully,

T.I.Guler.  
Director.

NST/EMB

Defendants  
(Appellants)  
Exhibits

ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI

BM

BY AIR MAIL

Exhibit 4  
(continued)

HELIOS  
HEAVY ELECTRICAL ENGINEERING  
CONTRACTING COMPANY  
197, Victoria Avenue,  
CHATSWOOD. (Australie)

Letter,  
A.C.E.C.  
to Helios

16th September  
1957

VEX/OIP/MF No.1192  
92 259  
546981

September 16th, 1957

10

RE: 7 - 56 MVA TRANSFORMERS - CONTRACT 40006.  
SNOWY MOUNTAINS HYDRO ELECTRIC AUTHORITY

Dear Sirs,

With reference to the above contract, we wish to deal with the question of oil which has been ordered by you to the firm H.C.SLEIGH LIMITED.

According to your letter No.5441 dated 24th January 1957, this oil must be delivered to us in waggon railway cars.

On the other hand, our transformer division pointed out to us that the storage and draining of these waggons in our works would be more expensive and would cause to us some troubles.

20

Considering on the one hand that the delivery in drums was requested by our works, and your interest on the other part, we have written to the firm RAVEN OIL in order to receive in the above two alternatives their quotation of the extra expenses for the freight and insurance concerning the temporarily imported oil in Belgium.

30

Copy of our letter No.524 112 of the 15th February 1957 as well as the supplier's answer dated 22nd February are hereto attached.

The expenses to be considered and which are to be borne by you are concerning the transport and handling of the oil from Manchester to and inside our works in Charleroi.

We wish to draw your attention to the fact that Defendants the expenses mentioned by the supplier are incomplete; (Appellants) indeed, we have to add our own expenses in our works Exhibits and also the charges for carriage from Antwerp to Charleroi. These expenses are separately invoiced to HELIOS (see invoice No.3609/132 dated 12th September 1957).

Exhibit 4  
(continued)

Letter,  
A.C.E.C.  
to Helios  
(continued)

16th September  
1957

10

Please find hereto attached the calculation sheet showing the total expenses in the above two alternatives.

For the calculation, we assumed that the drums had to be sold in Belgium by Messrs RAVEN OIL Cy and our works proposed to purchase these drums at the unit price of 160.- BF.

According to the results of the calculation, we asked for oil in drums because this solution appeared to be less expensive.

Assuring you of our best consideration, we are, dear Sirs,

20

Yours faithfully,  
(Sgd.)

(Sgd.)  
ENGINEER

EXPORT ZONE MANAGER.

ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI  
GH/VEX/OIP/MI

BY AIR MAIL

Letter,  
A.C.E.C.  
to Helios

16th September  
1957

HELIOS Pty. Ltd.  
197, Victoria Avenue,  
CHATSWOOD. N.S.W.  
(Australie)

30

VAD/TRC/VH.No.1195  
I.92 260

September 16th, 1957

RE: CONTRACT 40 006 - S.M.H.E.A.  
FIRST TRANSFORMER EX. S/S "LEIPZIG".  
Transport charges on oil.

Dear Sirs,

With reference to our cable of 20th ult. informing you that our invoices No.3445 and 3459/132 were incomplete, we are remitting you, herewith:

Defendants  
(Appellants)  
Exhibits

- 3 copies of our credit note No.3608/132, cancelling our above invoice No.3445/132.

Exhibit 4  
(continued)

- 6 copies of our new invoice No.3609/132, charging you for a quantity of 14 320 kg oil utilized in connection with the transformer shipped per S/S "LEIPZIG".

Letter,  
A.C.E.C.  
to Helios  
(continued)

As regards our invoice No.3459/132, kindly note that same is correct and is not to be amended.

16th September  
1957

We are, dear Sirs,

Yours faithfully,

10

(Sgd.)

(Sgd.)

ENGINEER

EXPORT ZONE MANAGER.

Translation,  
Letter,  
Belgian Bank  
to A.C.E.C.

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE

SIEGE ADMINISTRATIF  
DE CHARLEROI

476 A  
Charleroi, le 17.9.1957

17th September  
1957

Nos References  
CHANGE CD/JM

S.A. ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI,  
CHARLEROI

Gentlemen,

Confirmation of our telephonic conversation of today. 20  
Payment order of 17/9/57 for F.B. (Belgian Francs)  
1,087,244.55 by order of Helios, Sydney

With a view to conform with the new instruction No. 6 of the Belgo-Luxemburg institute of exchange and to permit us to seek its authorisation to clear the operation above, kindly let us have, by return mail, the letter "Advise" attached accompanied by three statements of declarations of Trust duly completed and signed.

If the payment relates to an export of merchandise<sup>30</sup>, these declarations must carry an indication of number of the documents of exportation as well as the name of the Bank which held them, to be indicated in the box at top right.

If the export of the merchandise has been effected on or after 14th January, 1952 kindly send us these declarations setting out the passage through Customs and carrying the stamp of this administration.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

In all cases of commercial payments it is necessary to attach to your declarations a copy of the original invoice, or pro-forma invoice, or if it has not been given, a visa on the documents of exportation, a declaration of free passage through Customs, or another Belgian Customs document for exports prior to 14th January, 1952.

Translation,  
Letter,  
Belgian Bank  
to A.C.E.C.  
(continued)

17th September  
1957

This present communication does not convey any engagement on our part and is given to you, under reserve of all instructions contrary or new of the giver of order (remitter), or all legal or regulations which might intervene.

Please accept gentlemen, the assurance of our distinguished consideration.

AUSTRALIA AND NEW ZEALAND BANK LIMITED  
MARTIN PLACE AND GEORGE STREET,  
SYDNEY.

19th September, 1957

Letter,  
ANZ Bank,  
Sydney to  
Helios

The Secretary,  
Helios Heavy Electrical Engineering Contracting  
Co. Pty. Ltd.,  
197, Victoria Avenue,  
CHATSWOOD.

19th September  
1957

Dear Sir,

In terms of your requisition dated 11th September, I have been pleased to cable the sum of B.F. 1087244.55 to The Banque de La Societe Generale de Belgique S.A. Charleroi, for payment to A.C.E.C. Charleroi.

Cheque for £9822.8.7. represented the Australian equivalent of Belgian Francs converted at 110.69 to £ Australian.

Cost of cable £1.10.- has been debited to your account.

Yours faithfully,

For the Manager.

Defendants  
(Appellants)  
Exhibits

TF17/6717  
1171

VEX/OIP

20th September, 1957

Exhibit 4  
(continued)

A.C.E.C.,  
Charleroi,  
BELGIUM.

Letter,  
Helios to  
A.C.E.C.  
20th September  
1957

Dear Sirs,

S.M.H.E.A. - CONTRACT 40006 - 7 x 56 MVA  
TRANSFORMERS

We wish to advise that B.F.1087244.55 were  
cabled to you on the 11th instant being part payment 10  
for the above Contract 40006.

Yours faithfully,

EMB.

T.I.Guler.  
Director.

Letter,  
ANZ Bank,  
Sydney to  
Helios  
25th September  
1957

AUSTRALIA AND NEW ZEALAND BANK LIMITED  
MARTIN PLACE & GEORGE STREET,  
SYDNEY  
25th September, 1957.

The Secretary,  
Helios Heavy Electrical Engineering  
Contracting Co. Pty. Ltd.,  
197, Victoria Avenue,  
CHATSWOOD.

20

Dear Sir,

Bank Guarantees - Yourselves on account of  
Ateliers de Constructions Electriques de  
Charleroi - Contract No.40006

We have been advised by the Snowy Mountains  
Hydro Electric Authority, Cooma, that the liability  
under our Bank Guarantees Nos. LA/279 and LA/520 has 30  
been reduced as follows:-

LA/279 - £62,180. dated 25/6/1956 - Reduced by  
£6344.11.4. to £55,835. 8. 8.

LA/520 - £40,000. dated 9/5/1957 - Reduced by  
£12,689. 2. 8. to £27,310.17. 4.

The reduced liability has been occasioned by the delivery in Cooma of No. 2 Transformer ex s.s. "Leipzig".

Banque de la Societe Generale de Belgique, Charleroi, who are bankers for Ateliers de Constructions Electriques de Charleroi have also been advised.

Yours faithfully,  
(Sgd.)

For the Manager.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
ANZ Bank,  
Sydney  
to Helios  
(continued)

25th September  
1957

10

TF17/6771  
1186

VEX/OIP

27th September, 1957

A.C.E.C.,  
Charleroi,  
BELGIUM.

Letter,  
Helios to  
A.C.E.C.

27th September  
1957

Dear Sirs,

S.M.H.E.A. - CONTRACT 40006 - 7 x 56 MVA  
TRANSFORMERS

20

We have pleasure in enclosing a copy of a letter dated 25th September which we have received from the Australia & New Zealand Bank Limited in connection with the Bank Guarantees for the above Contract.

Yours faithfully,

T.I.Guler  
Director.

TIG/EMB



Defendants  
(Appellants)  
Exhibits

TF17/6775  
1189

30th September, 1957

Exhibit 4  
(continued)

A.C.E.C.,  
Charleroi,  
BELGIUM.

Letter,  
Helios to  
A.C.E.C.

Dear Sirs,

30th September  
1957

SPECIFICATION 40,006. 7 x 56 MVA TRANSFORMERS.  
FIRST TRANSFORMER ON S.S. "LEIPZIG".

This is to advise that the first transformer on the s.s. "LEIPZIG" arrived and was delivered safely to Cooma about 3 weeks ago. 10

During the transport on ship, ie., prior to arrival at Sydney, the top valve was broken off. Please cancel our previous information on this subject. However, an insurance claim was made and all formalities were completed.

When checking the gas pressure, it was found that no gas at all was in the transformer. Furthermore, the oil level was about 16-17 inches below the top of the tank. This fact leads us to believe that a portion of the low voltage winding was exposed to air. We ask you now why you did not fill the transformer with oil to cover the winding and have thus exposed it to unnecessary danger. 20

The transformer oil was breaking down at 42kV B.S.S. We immediately decided to treat the oil and top up the transformer oil to cover the low voltage winding i.e., 7" to the top.

We have spent over one week in operation and 24 hours a day supervision at Cooma, on this operation. Since you are doing all the insurance arrangements and the fact that we are not mentioned in the Policies at all, it is your responsibility to pay us for dry-out expenses on damaged transformers. You can settle the matter with the Insurance Company at your end. 30

There are 7 other major dry-outs on transformers damaged in transit which have not been settled and about £10,000 is due to us in this respect.

Whoever is responsible to pay may do so, as it may be our intention to debit you our claims on this subject.

Defendants  
(Appellants)  
Exhibits

We do not think that there is sufficient space for oil expansion and that a conservator has to be fitted before the hot weather sets in.

Exhibit 4  
(continued)

Meanwhile, we remain,

Yours faithfully,

Letter,  
Helios to  
A.C.E.C.  
(continued)

30th September  
1957

10 TIG/TH

T.I.Guler,  
Director.

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY  
COOMA NORTH, N.S.W.

Letter,  
S.M.H.E.A.  
to Helios

AE.965

4th October, 1957

4th October  
1957

The Director,  
Helios Heavy Electrical Engineering  
Contracting Co. Pty. Ltd.,  
197 Victoria Avenue,  
CHATSWOOD. N.S.W.

20 Dear Sir,

CONTRACT 40,006 - TRANSFORMERS FOR  
T.1 POWER STATION

The processes for rendering claims under the above Contract were outlined in our letter of 10th January, 1957. After further consideration it is desired to consolidate the procedures by a re-statement as under.

30 In so doing the ambition is to achieve the necessary provisions of the Contract with the minimum amount of effort on both sides. It is also our desire to arrange the procedure so that queries on small items should not hold up major payments.

To these ends it is proposed that the Contract be divided for the purpose of claims, into three sections as follows:-

- (a) Transformers as per details on Schedule A attached
- (b) Spares " " " " B "
- (c) Oil Supplied " " " " C "

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
S.M.H.E.A.  
to Helios  
(continued)

4th October  
1957

A. TRANSFORMERS

On arriving at base amounts required for computation of claims under this section, it has been deemed expedient to include in the Schedule certain extras and deductions incorporated in variation orders awaiting execution.

F.O.B.

The resultant emended F.O.B. Contract Values divided by seven, will give the contract F.O.B. value of each transformer. Claims in respect of F.O.B. values of shipments are to be made proportionately against the F.O.B. contract value of each separate transformer which shall be identified by its appropriate number. 10

Pro-forma claim "A", concerning claims based on F.O.B. values, is attached for your consideration.

Labour and Material.

Claims for increases occasioned by upward movements in rates for labour and/or materials shall be made in respect of each separate shipment, using as a base the contract F.O.B. value of the items shipped. Detailed calculations, and authoritative index figures shall accompany every claim submitted. Variations on labour and/or materials will be reimbursed to 80% on any such claim. 20

Customs Duty

Subsequent to production of Customs Warrants, Customs Duty will be reimbursed to 100% of moneys expended thereon.

Marine Freight

30

Clause S.8 states that "amounts shown in Schedule VIII, Section (ii) Col. 6 for marine freight includes an expenses loading of 6% which shall not be subject to variation".

Claims for marine freight should therefore be rendered in two parts, viz.,

- (a) That proportion of marine freight subject to variations (vide Pro-forma "B")

(b) That proportion of marine freight not subject to variations (vide Pro-forma "C").

Defendants  
(Appellants)  
Exhibits

Pro-forma claims ("B" and "C"), setting out methods to be adopted in each case are enclosed.

Exhibit 4  
(continued)

In computing claims for marine freight, "contract rate" shall be taken as being the average of the rates applicable to Heavy Lift (80 tons) £ Stg. 25. 12. 0, and Heavy Lift (100 tons) £ Stg. 27. 10. 0, viz., £ Stg. 26. 11. 0.

Letter,  
S.M.H.E.A.  
to Helios  
(continued)

10

The Contract provides (Clause S.6(b)) that nett Contract Value of marine freight shall be paid to the Contractor upon presentation of authenticated documents. Such documents will of necessity be required for verification of claims made in consequence of any upward movement in rates.

4th October  
1957

Transport in Australia

20

Pro-forma "D" is also enclosed. This covers the procedure to be adopted in submitting claims for Transport in Australia. Authenticated documents are required to support this claim. The contract F.O.B. value of each separate transformer shall be taken as being one seventh of the total contract F.O.B. value of seven transformers as varied and as detailed in Section "A" of Schedule sent herewith.

Insurance to Site

30

Claims for Insurance to Site, including 12 months storage, must be supported by authenticated documents. Specimen claim "E" is attached. This sets forth the manner in which claims for insurance should be rendered.

B. SPARES

F.O.B.

Claims for spares shipped will be paid to 80% F.O.B. Claims will be rendered separately from Transformer and Oil supply claims. Each claim will identify the item number and contract F.O.B. value as shown in the attached Schedule "B".

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
S.M.H.E.A.  
to Helios  
(continued)

4th October  
1957

### Labour and Material

Claims for increases occasioned by upward movement in rates for labour and/or materials shall be made in respect of each separate shipment and on the same basis as outlined with Transformers (Section A). Variations on labour and/or material will be paid to 80% on any such claim.

### Customs Duty

Subsequent to production of Customs Warrants, Customs Duty will be reimbursed to 100% of moneys expended thereon. 10

### Marine Freight

In computing claims for marine freight on spares "contract rate" will be taken as being equivalent to the average of rates applicable to Heavy Lift (80 tons) £ Stg. 25. 12. 0 and Heavy Lift (100 tons) £ Stg. 27. 10. 0 viz., £ Stg. 26. 11. 0. Pro-forma "F" is attached for your guidance.

### Insurance to Site

Insurance to Site on spares will be claimed in accordance with pro-forma claim "G" attached. 20

### Transport in Australia

Transport in Australia on spares will be claimed in accordance with pro-forma claim "H" attached.

### Delivery to Cooma

Upon delivery to Cooma the contract F.O.B. value and labour and material increases on spares will be reimbursed to 100%.

## C. OIL FOR TRANSFORMERS

### 1. Overseas Oil

Progress payments for oil held in Belgium will be paid for by the Authority up to 60% of the F.O.B. value, using as a base £A.2744 per gallon. Progress payment claim must be supported by a Banker's Guarantee. 30

On shipment, oil will be paid for up to 80% F.O.B.

Ex F.O.B. charges on oil are firm and will be reimbursed up to the maximum contract amount upon presentation of supporting documents.

Upon delivery to Cooma of Overseas oil, the Authority will reimburse to 100% of the contract F.O.B. Value subsequent to inspection, verification of quantities and test.

10      2. Local Oil

Upon delivery to Cooma local oil will be paid to 100% of contract value subsequent to inspection, verification of quantities and test.

Contract values for Overseas and local oil are shown on attached Schedule "C".

GENERAL

In accordance with Clause S.9 of Specification, War Risk Insurance on each shipment will be reimbursed at nett cost.

20

Yours faithfully,

(Sgd.)

for J.C.Callinan  
Chief Electrical and Mechanical  
Engineer.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
S.M.H.E.A.  
to Helios  
(continued)

4th October  
1957



Defendants  
(Appellants)  
Exhibits

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY  
COOMA NORTH, N.S.W.

AE.965

14th October, 1957

Exhibit 4  
(continued)

Your Ref: TF 17/6789

Letter,  
S.M.H.E.A.  
to Helios  
14th October  
1957

The Director,  
Helios Heavy Electrical Engineering  
Contracting Co. Pty. Ltd.,  
197, Victoria Avenue,  
CHATSWOOD. N.S.W.

10

Dear Sir,

Contract 40,006  
Transformers for T.1 Power Station

We thank you for your letter of the 1st October 1957 in which you have claimed £1,259. 6. 6 representing 80% F.O.R. Cooma value of 3956 gallons of local oil.

Your claim has been passed for payment and you may anticipate a cheque in settlement of the amount claimed within the next ten days.

20

It is noted that a variation invoice for increase in prices will be submitted.

Yours faithfully,

(Sgd.)

for J.C.Callinan,  
Chief Electrical and Mechanical Engineer.

Letter,  
A.C.E.C.  
to Helios  
18th October  
1957

ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI

PG

BY AIR MAIL

HELIOS  
197, Victoria Avenue,  
CHATSWOOD, N.S.W.  
(Australia)

30

VEX/OIP/MI-2/BRU/I. 92 260      October 18th, 1957

RE: SMHEA - CONTRACT 40 006  
SHIPMENT OF UNITS Nos 1 - 3 AND SPARE WINDING

Dear Sirs,

We beg to confirm the following exchange of cables:

Yours dated October 15th:

" 40 006 SHIPPING UNITS ONE AND THREE SMHEA MOST  
" UPSET TWO MONTHS DELAY PLEASE ADVISE COMPLETE  
" REASON".

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Ours dated October 17th:

10 " 40 006 SHIPMENT UNITS ONE AND THREE DIFFERED  
" OWING INEVITABLE PRIORITIES OTHER LARGE TRANS-  
" FORMERS FOR FAR EAST AND EVIDENCE NON URGENCY  
" SNOWY ERECTION RE SCHEDULE SK/57/47 MOREOVER  
" WORKS CONSIDER HIGHLY DESIRABLE TESTING  
" COMPLETED CABLE BOXES ON UNITS 1-3 STOP AIMING  
" SHIPMENT UNITS 1-3 AND SPARE WINDING AROUND  
" MID NOVEMBER LATEST STOP TESTS UNIT 4 IN  
" PRESENCE CALLINAN ON 30TH OCTOBER - OIP 45"  
" VENTACEC"

Letter,  
A.C.E.C.  
to Helios  
(continued)  
18th October  
1957

20 With reference to the delivery schedule now  
in vigour, account being taken of the two weeks  
duration of strike in last July, the revised  
contractual delivery date at site should be as  
follows:

- Unit No.1 (Mfg No. 20 130/1): end of December  
1957

If one considers the time required from  
loading on board FOB ANTWERP to unloading at  
COOMA, a period of about 10 weeks should be  
allowed therefore (see the case of Unit No.2 now  
in COOMA).

Thus, in order to meet the above delivery  
date at site, Unit No. 1 should be put on board  
FOB ANTWERP around October 20th.

30 Similarly, unit No. 3 should be put on board  
FOB ANTWERP around November 20th.

Now, as referred to in our cablegram, exacting  
contingencies in relation with some very large  
shipments for the Far East made it quite impossible  
to consider that the shipment of the SNOWY MOUNTAINS  
transformers should keep first priority. Our  
shipping department was therefore obliged to defer  
several times the date of shipment of Units Nos. 1  
and 3 and the spare winding, however full consider-  
ation being given to the conditions and requirements  
having to be faced in regard to the respective  
export matters being confronted altogether, all



Defendants  
(Appellants)  
Exhibits

the available facilities of transport and of the ANTWERP Harbour being used.

Exhibit 4  
(continued)

Having the actual erection planning SK/57/47 of the SNOWY Authority in mind, we cannot see how our client could be upset for a one month delay in delivery FOB ANTWERP except of course that some trouble may be raised in connection with the progress payment budget.

Letter,  
A.C.E.C.  
to Helios  
(continued)  
18th October  
1957

If this is the case, we wish you to explain our position to the Authority, position which inevitably has led to a compromise as said here-  
above.

10

We shall make our utmost in order to minimise the delay involved with the hope that such an effort will reduce the trouble in the Authority's finances. It is why we are henceforth trying to ship a maximum cargo before mid November, including, if possible, units Nos. 1 and 3 and the spare winding. We can however make no firm promise at the present stage.

Another consideration which should be emphasized 20 is the fact that our works were most interested in availing themselves of the units Nos. 1 and 3 in order to fit the completed H.V. cable-boxes on same and thereby avoid considerable difficulties at site in relation with the adjustment of the cable-boxes with respect to the transformers.

This kind of thinking was made known to you in our telegram of August 6th:

" WORKS INSIST ON AVAILABILITY UNITS 1-3-4 FOR  
" ACHIEVING CONSERVATORS"

30

to which unfortunately no answer was received from your end.

Reverting now to the overall position re- the advancement of the manufactures and corresponding progress payments we desire to summarize as follows:

Work on the seven H.V. cable-boxes is proceeding well on in Charleroi and also in Pirelli Works where the top cover plates are being manufactured. According to Dr. WILLHEIM, possibly one cable-box 40 only will have to remain in our works to enable the

carrying out of the acceptance tests with the H.V. cable-box on the last four units; this matter is being referred to the Authority by the Consulting Engineer.

Apart from the H.V. cable-boxes, the progress of the work on the transformers is shown on the attached work's program dated 2/9.57, which is also detailing the planned operations regarding the last three units.

10 In passing on this program to you we should like to make the following comments:

- 1) Please obtain the Authority's official agreement on the proposed schedule, especially regarding units Nos. 5-6-7.

20 Referring to units Nos. 1-3-4 and the spare winding you will find that stage No. 7 is encircled because the fixation of the date corresponding to this stage (which is practically the date of delivery FOB ANTWERP) is giving rise to some adjustments for the reasons explained in the first part of the present letter.

30 2) The acceptance tests on unit No. 4 are now scheduled for October 30th. They were first expected for mid October but were finally deferred to the end of October to allow Mr. CALLINAN to attend part of same. It is reminded that the acceptance test has to await the completion of the first H.V. cable-box since the latter must be fixed to the transformer during this test.

- 3) The schedule can serve as supporting evidence for the purpose of price adjustment in terms of variations of material and labour rates.

- 4) The progress payments already allocated cover a total amount of 13 x 20 % FOB (see our letter 536 799 of June 11th, 1957) plus a further amount of 1 087 244.55 BF announced by our Bankers on last September 17th.

40 On this occasion, we regret having to state that we never received any comment from your end with reference to our afore mentioned letter

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C.  
to Helios  
(continued)

18th October  
1957

Defendants  
(Appellants)  
Exhibits

536 799 of June 11th, and to our letter No. 536 612 of June 6th. Neither did we receive any clarification concerning the value of the above quoted amount of 1 087 244.55 BF.

Exhibit 4  
(continued)

Letter,  
A.C.E.C.  
to Helios  
(continued)

If we consider the present position of manufacture in the light of the attached schedule we find that the number of 20% FOB shares due to-date is to be reckoned as follows:

	<u>Transformer No.</u>	<u>Nr. of 20% shares</u>		
18th October	1	3	} total = 17 x 20 % i.e. 14 798 976,- BF against 12 383 897 BF already paid, which makes <u>2 415 079,- BF</u> overdue.	10
1957	2	4		
	3	3		
	4	3		
	5	2		
	6	1		
	7	1		

It will be noted that the above conclusion does not take into account the further 20% FOB payments which will become due as soon as units Nos. 1 and 3 are shipped FOB ANTWERP.

20

Your comments would be appreciated.

Yours faithfully,

(Sgd.)

(Sgd.)

ENGINEER.

EXPORT ZONE MANAGER.

Letter,  
Helios to  
ANZ Bank,  
Sydney  
30th October  
1957

TF17/6952  
Foreign Exchange Department,  
Australia & New Zealand Bank Ltd.,  
Martin Place & George Street,  
SYDNEY.

30th October, 1957

Dear Sirs,

We have pleasure in enclosing our cheque for £15,545/2/10 together with the completed "Application for Foreign Currency" form.

30

We would be pleased if this amount could be transferred to A.C.E.C., Charleroi, Belgium, at the most favourable exchange rate.

Yours faithfully,

TIG/EMB

T.I.Guler,  
Director.

Defendants  
(Appellants)  
Exhibits

The following photo-copy has been  
allocated page number 795.

Exhibit 4  
(continued)

Enclosed  
Application  
for Foreign  
Currency with  
letter Helios  
to A. & N.Z.  
Bank, Sydney.

30th October  
1957.

7511

AUSTRALIA

EXCHANGE CONTROL FORM A1

Application for Foreign Currency\* *or Contract*  
*H.C. 006*  
(Other than for Travelling).

\* "Foreign Currency" includes notes, coins, postal notes, money orders, bills of exchange, promissory notes, drafts, letters of credit and travellers' cheques, payable or expressed otherwise than in Australian money, and also includes rights, and instruments of title, to money other than Australian money.

NOTE: It is an offence under the *Banking (Foreign Exchange) Regulations* to make a false statement in this application.

Name of Bank and Branch.

To Australia & New Zealand Bank Ltd., Martin Place & George St., Sydney.

Full Name(s).

I/We Helios Heavy Electrical Engineering Contracting Co. Pty. Ltd.

Full Address.

of 197 Victoria Avenue, Chatswood.

State name and amount of currency.

hereby apply for Foreign Currency amounting to £A. 15,545/2/10

Telegraphic transfer, mail transfer, draft, letter of credit, etc., and where amount is to be credited to an a/c. show name and address of banker. State name and address of payee.

in the form of Telegraphic Transfer

A.C.E.C., Charleroi, Belgium,

Give full particulars of transaction.

for the purpose of Import Licence No. 039706

I/We declare that:

- (a) the final destination of the said Foreign Currency is Belgium
- (b) I/we have not made any other application for Foreign Currency for the purpose stated.
- (c) I/we neither own nor have any interest in any Foreign Currency except as may have been obtained for other purposes under Part II of the *Banking (Foreign Exchange) Regulations*, or as stated on the reverse hereof.

Dated 30th October, 1957.

(Signature of Applicant)

FOR BANK USE ONLY.

Application approved to the extent of.....

Bank Stamp and Date.

(Signature of Authorising Officer.)

1224 TEL7/6958 VEX/OIP 30th October, 1957

A.C.E.C.,  
Charleroi,  
BELGIUM.

Dear Sirs,

CONTRACT 40006 - 7 x 56 MVA TRANSFORMERS  
SHIPMENT OF TRANSFORMERS

10 Please note that we do not want you to send transformers in a closer succession than four (4) weeks.

In view of the fact that it is us who pays the customs duty and other charges which amount to about £6000-£7000 per transformer, we do not wish to be burdened unnecessarily.

20 Furthermore, we cannot supervise two (2) transformers in one (1) month. Normally it takes anything between 1-3 months to recuperate our monies from the customers for customs duty and expenses. Therefore we do not wish to be burdened by your actions because of previous delays committed by you. Shipping of two (2) units at short intervals may cause you unnecessary expenses due to demurrage etc.

Referring to your letter of the 18th October, Page 3, we do not understand your comment regarding your telegram of the 6th August:-

"WORKS INSIST ON AVAILABILITY OF UNITS 1-3-4  
"FOR ACHIEVING CONSERVATORS ——"

We still do not understand this point.

30 We shall pass the comments in your letter to the customer regarding your reasonings for the delay in delivery.

Frankly speaking, it is just nonsense and establishes in any layman's opinion the fact that to trust your delivery promises is fruitless.

Who gave you the right to consider when you had to deliver the goods basing yourselves on the programme of the Snowy Mountains Authority? You

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
Helios to  
A.C.E.C.

30th October  
1957

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
Helios to  
A.C.E.C.  
(continued)  
30th October  
1957

re-promised for the tenth time months ago to maintain a schedule and you now come with a grandmother's story asking me to peddle better terms with the Snowy.

Anyhow, don't worry about the Snowy T2 transformers as they will be lost, mainly because the confidence of the Snowy in A.C.E.C. has been shaken due to numerous grandmother stories.

We are passing on your letter of the 18th October to the Snowy Mountains Authority and we declare that 10 we want to be exempt from any reactions which may result.

To-day we have transferred £15,545. 2.10 against your Bank Guarantee. The amount of 1087.244.55 B.F. sent in September represented 20% plus C.I.F. charges for Unit No. 2.

You can establish a further Bank Guarantee for £15,000 as we may claim further progress payments.

Yours faithfully,

TIG/EMB

T.I.Guler.  
Director.

20

Letter,  
Belgian Bank  
to A.C.E.C.  
5th November  
1957

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE  
SIEGE ADMINISTRATIF  
DE CHARLEROI CHARLEROI, le 5.11.1957

S.A. ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI,  
CHARLEROI.

Messieurs,

Confirmation de notre entretien telephonique de ce jour

Ordre de paiement du 5.11.57 de FB I.723.800,57 30  
D'ordre de: Helios Heavy Electrical Engineering  
Contracting Co.

Mention : Message SPEC 40006

Nous vous saurions gre, pour nous permettre de vous bonifier le montant precite, de nous remettre, par retour du courrier, les documents justificatifs exigés par la nouvelle reglementation de l'Institut Belgo-Luxembourgeois du Change, a savoir :

- |    |   |   |
|----|---|---|
|    | 1) <u>Exportation couverte par un document vise avant le 1er octobre 1957</u>   | Defendants<br>(Appellants)<br>Exhibits                |
|    | - soumise a licence: une copie certifiee conforme de la facture, le numero de la licence et le nom de la Banque qui l'a visee   | Exhibit 4<br>(continued)                              |
| 10 | - non soumise a licence : une copie certifiee conforme de la facture, le numero du modele H ou J.   | Letter,<br>Belgian Bank<br>to A.C.E.C.<br>(continued) |
|    | 2) <u>Exportation couverte par un document etabli apres le 1er octobre 1957</u>   | 5th November<br>1957                                  |
|    | - soumise a licence: copie certifiee conforme de la facture, volets B 1 et B 4 de la licence  |   |
| 20 | - non soumise a licence : une copie certifiee conforme de la facture, volets B2 et B3 de l'avis d'exportation plus le volet B1 si l'exportation n'a pas encore eu lieu. |   |

Veillez egalement avoir l'obligence de nous faire connaitre la destination a donner a ces fonds.

Le presente communication ne comporte aucun engagement de notre part et vous est donnee sous reserve de toutes instructions contraires ou nouvelles du donneur d'ordre, ou de toutes dispositions legales ou reglementaires a intervenir.

Veillez agreer, avec nos remerciements, l'assurance de notre consideration distinguee.



Defendants  
(Appellants)  
Exhibits

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE

SIEGE ADMINISTRATIF  
DE CHARLEROI

476 A

Exhibit 4  
(continued)

Charleroi le 5.11.1957

Confirmation  
of Telephone  
Communication  
Belgian Bank  
to A.C.E.C.

Nos References:  
P.J.  
CHANGES

S.A.ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI,  
CHARLEROI.

Gentlemen,

5th November  
1957

Confirmation of our telephone communication  
of today

10

Order of Payment of 5.11.57 for F.B. 1,723.800.57  
By order of: Helios Heavy Electrical Engineering  
Contracting Co.  
Reference: Message SPEC 40006

SAME AS SHEET 4/4/58 EXCEPT THAT ITEM 3  
IS NOT MENTIONED

Letter,  
ANZ Bank,  
Sydney  
to Helios

AUSTRALIA AND NEW ZEALAND BANK LIMITED  
MARTIN PLACE AND GEORGE STREET,  
SYDNEY.

7th November, 1957

20

7th November  
1957

The Secretary,  
Helios Heavy Electrical Engineering Contracting  
Co. Pty. Ltd.,  
197 Victoria Avenue,  
CHATSWOOD.

Dear Sir,

In terms of your requisition dated 30th October,  
I have been pleased to cable the sum of B.F.1723800.57  
to The Banque de la Societe Generale de Belgique S.A.  
Charleroi for payment to A.C.E.C. Charleroi. 30

Cheque for £15545.2.10 represented the Australian  
equivalent of Belgium Francs converted at 110.89 to £  
Australian.

Cost of cable £1.13.- has been debited to your  
account.

Yours faithfully,  
(Sgd.)

For the Manager.

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY  
COOMA NORTH, N.S.W.

Defendants  
(Appellants)  
Exhibits

AE.965

8th November, 1957.

The Director,  
Helios and Co. Ltd.,  
197 Victoria Avenue,  
CHATSWOOD, N.S.W.

Exhibit 4  
(continued)

Letter,  
S.M.H.E.A.  
to Helios

Dear Sir,

CONTRACT 40,006 - 7-56 MVA TRANSFORMERS  
FOR T.1 POWER STATION

8th November  
1957

10

Your letter of the 30th October, 1957 together with the extract of ACEC letter to you of 18th October, is acknowledged and the reasons stated there for the various delays in shipping transformers 1, 3 and 4 are noted.

20

We have today received a letter from our Inspectors, Lloyd's Register of Shipping dated 1st November, 1957 stating that the delay in shipping Units 1 and 3 was largely due to the time required to make trial fittings and adjustment of the cable boxes to the transformers and giving the following promised f.o.b. delivery dates.

Unit No. 1	-	15th November, 1957
Unit No. 3	-	30th November, 1957
Unit No. 4	-	15th December, 1957
Unit No. 5	-	End of February, 1958
Unit No. 6	-	10th April, 1958
Unit No. 7	-	End of April, 1958.

30

They also indicated that the spare windings would be shipped with No.1 Unit.

It is unfortunate that ACEC should have taken it upon themselves to vary the agreed delivery schedule without reference to us and it is to be expected that the dates as set out above will not now be departed from in view of our repeated statements to you that adherence to programmed deliveries are important for reasons of financial budgeting.

40

In the above programme, Units 1 and 3 together with the spare windings and presumably other contract spares will be shipped by the end of November, and it would be very much appreciated if

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
S.M.H.E.A.  
to Helios  
(continued)  
8th November  
1957

you will arrange for ACEC to forward to you by urgent airmail the documents necessary for you to make the f.o.b. and c.p.a. claims to the Authority not later than the second week in December, so that this may be processed before the Christmas Break.

In addition, the report of our Inspectors regarding No. 4 indicates that a further Progress Claim of 20% from you would be in order - this claim would bring a total on this transformer to 60%. A further 20% claim (bringing the total to 40%) may be made for No. 5 Unit. It is suggested that these two 20% claims be forwarded together with the necessary bank guarantees to us within the next fortnight. 10

It is proposed in regard to the spare windings and other spares that you submit an 80% f.o.b. claim at the same time as the f.o.b. claims for Units No.1 and 3.

Yours faithfully,

(Sgd.)

For: J.C.Callinan,  
Chief Electrical and Mechanical Engineer. 20

Letter,  
S.M.H.E.A.  
to Helios  
12th November  
1957

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY  
COOMA NORTH, N.S.W.

AE.965

12th November, 1957

The Director,  
Helios Heavy Electrical Engineering  
Contracting Co.Pty.Ltd.,  
197 Victoria Avenue,  
CHATSWOOD, N.S.W.

Dear Sir, Contract 40,006 - 7 x 56 MVA TRANSFORMERS 30

We enclose herewith original and duplicate of Variation Order No.7, covering supply and delivery of four wire rope slings for handling transformers being supplied under Contract 40,006.

Would you please sign and return the duplicate of this Variation Order at your early convenience.

Yours faithfully,

(Sgd.)

for J.C.Callinan  
Chief Electrical and Mechanical Engineer. 40

SNOWY MOUNTAINS HYDRO ELECTRIC AUTHORITY

CONTRACT NO. 40,006: For the Manufacture, Supply, Delivery and Supervision of Erection of Seven - 56 M.V.A. Single Phase Transformers and Ancillary Equipment for T.1 Power Station.

TO: Messrs. Ateliers de Constructions Electriques de Charleroi, c/o Helios Heavy Electrical Engineering Contracting Co. Pty. Ltd.,  
197 Victoria Avenue,  
CHATSWOOD N.S.W.

VARIATION ORDER NO. 7

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Enclosure  
with letter,  
S.M.H.E.A.  
to Helios

12th November  
1957

The Contract shall be varied as described hereunder:

Contract Price prior to this Variation Order  
£A400,716.10. 0

Details of Variation  
required

Extra  
£A

Supply and delivery F.O.R.  
Cooma of Four (4) Wire Rope  
Slings for T.1 Transformers,  
as follows:-

Two (2) slings each 21 feet  
in length and  $2\frac{1}{4}$  inches in  
diameter

Two (2) slings each 13 feet  
in length and  $2\frac{1}{4}$  inches in  
diameter

Complete for the sum of -

Three hundred and eighty  
pounds (£380. 0. 0.) nett 380. 0.0

Total 380. 0.0

Net Variation to  
Contract price  
+ extra

380. 0. 0.

Revised Contract Price £A401,096.10.0

The terms and conditions of this Contract  
are not varied except as stated above.

Date: 1957 (Sgd.) Engineer-for-Contract

This Variation Order is accepted

Date:

Contractor

803.

Defendants  
(Appellants)  
Exhibits

1239 TF17/7008 VEX/OIP

12th November, 1957

Exhibit 4  
(continued)

A.C.E.C.,  
Charleroi,  
BELGIUM.

Letter,  
Helios to  
A.C.E.C.

Dear Sirs,

S.M.H.E.A. - CONTRACT 40006 - 7 x 56 MVA  
TRANSFORMERS

12th November  
1957

This is to advise that B.F.1723800.57 were transferred to you being part payment for the above Contract.

Yours faithfully,

10

EMB.

T.I.Guler,  
Director.

Letter,  
A.C.E.C.  
to Helios

ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI

PG

BY AIR MAIL

22nd November  
1957

HELIOS  
197, Victoria Avenue,  
CHATSWOOD, N.S.W.  
(Australia)

VEX/OIP/MI-2/BRU/I.92 260  
No.1266  
553876

CHARLEROI, le 20  
November 22nd, 1957.

RE: TRANSFORMERS TO T.1 POWER STATION.  
CONTRACT 40 006 - S.M.H.E.A.  
INSURANCE AND OUTSTANDING DRY-OUT CLAIMS

Dear Sirs,

We would like to revert to the above question which is now under discussion between us and Messrs. EDWARD LUMLEY, LONDON.

For your information we are hereto attaching a copy of our letter No. 552 611 of November 8th and a photostatic copy of Lumley's letter dated November 18th. 30

It now appears that the matter of policy wording, premium and extent of the cover with regard to the drying-out operations after despatch from our works

will shortly result in a satisfactory solution. However, we wish to learn your comments and we feel sure that you will appreciate the help we are bringing to you with the hope that a reciprocal action may be trusted upon from your end.

It is regretted that no answer has been given as yet to our letter No. 550 144 of October 15th, which is dealing with the outstanding dry-out claims (other than the claims introduced for the Snowy transformer No.2).

Looking forward to hearing from you very soon about these outstanding claims as well as the negotiations relating to the insurance of dry-out in contract No. 40 006, we remain, Dear Sirs,

Yours faithfully,

(Sgd.)

(Sgd.)

ENGINEER

EXPORT ZONE MANAGER.

AUSTRALIA AND NEW ZEALAND BANK LIMITED  
MARTIN PLACE AND GEORGE STREET,  
SYDNEY.

sNT:BMcB.

26th November, 1957

The Director,  
Helios Heavy Electrical Engineering  
Contracting Co. Pty. Ltd.,  
197 Victoria Avenue,  
CHATSWOOD. N.S.W.

Dear Sir,

Bank Guarantee £23,317:14: 4

We enclose a copy of a proposed guarantee to be issued on your behalf, to the Snowy Mountains Hydro-Electricity Authority, together with our Bank form of indemnity.

Your instructions for issue of the Guarantee are awaited, together with return of completed indemnity.

Yours faithfully,  
(Sgd.)

Sub-Manager.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C.  
to Helios  
(continued)

22nd November  
1957

Letter,  
ANZ Bank  
Limited,  
Sydney to  
Helios

26th November  
1957

Defendants  
(Appellants)  
Exhibits

ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI

AD

BY AIR MAIL

Exhibit 4  
(continued)

HELIOS  
197, Victoria Avenue,  
CHATSWOOD (N.S.W.)  
Australie

Letter,  
A.C.E.C.  
to Helios

VEX/OIP/MF/No.1269  
I 92 259

November 27th 1957

27th November  
1957

RE: 7-56 MVA TRANSFORMERS - CONTRACT No. 40 006  
SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY

10

Dear Sirs,

We beg to confirm our cable of November 21st 1957 worded as follows:

"SNOWY YOURS TF 17/7022 NOVEMBER 14TH MAILING  
"ANSWER TO-DAY STOP PLEASE PREPARE THREE 20%  
"PROGRESS CLAIMS IE ONE No.4 TWO No.5 VALID  
"END NOVEMBER STOP LLOYD'S CERTIFYING  
"ACCORDINGLY AND BANK GUARANTEE EMITTED TO-DAY  
"STOP RESERVING SHIPMENT NO.3 DECEMBER 13TH  
"AND PREPARING FULL SET PROFORMA INVOICES AS  
"SUPPORTING EVIDENCE FOR YOU. "

20

We take the opportunity to especially deal with the question of invoicing as it now stands about the transformers ordered on this above contract.

Referring to our letter No.537 363 of June 15th and to our cables dated 17th and 24th July 1957 and to the previous arrangements regarding the invoicing of unit No.2, we confirm that the invoices for the transformer No.1 are now drawn up in a similar manner.

However in order to simplify the procedure and to reduce the costs involved in our accounting department, we shall decrease the number of invoices with regard to the last 5 transformers according to the new hereto attached plan of invoicing; this procedure has not been applied to unit No.1 as it was too late to bring the change in the already engaged formalities in the said accounting department.

Referring to the customer's claim form sample you must use a separate claim for each transformer when shipment is mixed.

40

However, for the last 5 transformers we shall detail on unique commercial and consular invoices the prices of the parts belonging to different transformers being eventually shipped all together on the same steamer.

It is to be well understood that the prices figured on such invoices will be clearly separated in terms of the various unit numbers.

10 In this connection, as already cabled to you on the 21st instant, we shall airmail to you within this week, a fully detailed proforma invoice regarding unit No.3 which is still scheduled to be shipped in Antwerp on the 13th December.

In fact, the said pro-forma invoice will only show the amounts laid down under paragraphs a) - b) c) - invoice No.1. Please see attached plan.

20 We shall further proceed with the preparation of invoices No.2 and 3 (see attached plan) but this will be made in the official form of commercial invoices in conjunction with the official invoice No.1; for the time being we are giving full priority to the latter invoice (but in the proforma form) in order to enable the Authority to release before Christmas, the 20% FOB share due on delivery FOB Antwerp.

30 Together with the proforma invoice relating to unit No.3, we shall send to you a provisional packing list for the same unit (the list in question being definitive) and we intend to forward next week a provisional insurance certificate for the same transformer. It is obviously not possible to send you the bill of lading before the shipment.

Hoping this way to proceed will be found quite satisfactory from you.

We remain, dear Sirs,

Yours faithfully,

(Sgd.)

(Sgd.)

ENGINEER.

EXPORT ZONE MANAGER.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C.  
to Helios  
(continued)

27th November  
1957



Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C.  
to Helios  
(continued)

27th November  
1957

Enclosure with  
letter, A.C.E.C.  
to Helios

27th November  
1957

P.S. We confirm that we are doing the necessary  
this week in reply to your cable of the 22nd:  
" 40006 CYMRIC NEED BILL OF LADING PACKING  
LIST INSURANCE CERTIFICATE URGENTLY " .

Annex : plan of invoicing (unit No.3 and the  
following ones)

---

PLAN OF INVOICING

(Unit No. 3 and the following ones)

Invoice No. 1

- a) FOB value of the material effectively shipped 10
- b) I+F value relating to the material mentioned  
under (a) and according to the quoted price in  
our tender.
- c) FOB value of the variations of order

Invoice No.2

Adjustment of the total FOB contract price per trans-  
former for increase of raw materials and labour.

Invoice No.3

Adjustment according to the actual cost of the I+F  
charges invoiced under (b) invoice No. 1

Invoice addressed to Helios

20

Transport charges from Antwerp to Charleroi and  
return on the oil supplied by Raven Oil Company.

---

ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI

AD

PRIVATE & CONFIDENTIAL

Defendants  
(Appellants)  
Exhibits

MR. GULER  
C/O HELIOS  
197, Victoria Avenue,  
CHATSWOOD (N.S.W.)  
(Australie)

Exhibit 4  
(continued)

Letter,  
A.C.E.C.  
to Guler

VEX/OIP/GY/520 127

November 28th, 1957

28th November  
1957

Dear Mr. Guler,

10 The letters we have been getting from you for  
some months show discouragement that we can under-  
stand to some extent, but which appears to us  
exaggerated.

It is exaggerated, in any case, when it leads  
you to express opinions and make accusations which  
are completely unjustified concerning one or other  
department of our company.

20 If it is correct that our quotations in 1956,  
as a result of a perhaps unduly cautious policy on  
the part of our transformer division at the time of  
the Suez affair and other international complicat-  
ions, were too high in comparison with those  
submitted by competitors who did not, apparently,  
estimate the risks at the same rate as we did,  
that is no reason for writing to us in the strain  
you adopt.

30 There is no reason, because we are obliged to  
postpone a little the despatching of certain 330kV  
transformers for the SNOWY, due to circumstances  
of which the inspectors acting for the customer  
and who come to ACEC several times a month are  
well aware, for sending us a letter so completely  
discourteous as your letter, ref. : TF 17/6958  
dated October 30th 1957.

In the latter, in particular, you state :

" Anyhow, don't worry about the Snowy T2 trans-  
formers as they will be lost, mainly because  
the confidence of the Snowy in ACEC has been  
shaken due to numerous grandmother stories ".

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C.  
to Guler  
(continued)  
28th November  
1957

The recent visit to our plant by Mr CALLINAN, previous visits by Mr FROST, Mr MERRIGAN and Mr DIESENDORF, Dr. WILLHEIM's favourable opinions, those of Lloyd's representatives and many other facts are very far from justifying such a statement.

We have it from a most reliable source that Mr CALLINAN has, at the present time, considerable difficulties with most of his suppliers other than ACEC, mainly the English ones, owing to delays in delivery. On the other hand, he has no complaint to make about ACEC. Dr. WILLHEIM, in agreement with Mr CALLINAN, pointed out to Mr GUILLERY, who felt obliged to apologize for certain delays, that we were practically the only firm meeting the schedules stipulated in the specifications. We are just a little late on the schedule subsequently agreed upon, and SNOWY would be in rather a difficulty if we did not catch up on this slight delay, owing to budgetary considerations. That is why the Transformer Division is doing its best to meet the customer's wishes.

10

20

When Messrs FROST and MERRIGAN were here and, after expressing their satisfaction, agreed to a certain number of points, you intimated that their opinion was of very little consequence. Mr CALLINAN, you said, was the man responsible, and his opinion alone counted.

We wonder what argument you will find if we tell you that Mr CALLINAN was satisfied with what he saw and heard in Charleroi.

30

When we told Mr CALLINAN that our information made us estimate our changes for T2 at 10% he laughed a lot and said to us : "... oh! .....much more than that!", whilst adding that he did not, of course, mean to make any statement which might constitute a commitment of any kind.

We are very, very far from believing that this order is a certainty, and we fear too that it may be lost, but, contrary to your opinion, by a short head and absolutely not because of a lack of confidence on the part of the customer with regard to ACEC - that we do insist on most forcibly.

40

From everything you have been writing for several months and, particularly, these last few weeks, we can only conclude either that you have lost all confidence in ACEC, or that you are ill-informed as to customers' attitudes towards us.

10 The contemptuous animosity emanating from your letters, the undisguised allusions you have often made to the possibility which was open to you to devote yourself to other representations or activities, together with the loss of confidence in our company (or your mis-information as to our customers' opinions) lead us to wonder whether you might not deem it preferable to terminate our present representation contract.

20 The decision having to be taken before December 31st 1957, we should appreciate your letting us know, by the earliest possible airmail, what you think as to the usefulness of pursuing between ACEC and HELIOS, collaboration which appears to have disappointed you to such an extent.

In the event of your esteeming that this collaboration is still possible, we must emphasize that, as far as we are concerned, in any case, we can only envisage its continuation in the atmosphere of confidence and mutual respect which characterizes our relations with all our other agents and representatives.

Yours faithfully,

(Sgd.)

(Sgd.)

30 EXPORT ZONE MANAGER. ASSISTANT GENERAL SALES MANAGER.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C.  
to Guler  
(continued)

28th November  
1957

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
Helios to  
A.C.E.C.

4th December  
1957

Sole  
Australian  
Agent for  
A.C.E.C.  
Charleroi,  
Belgium.

H E L I O S  
HEAVY ELECTRICAL ENGINEERING  
CONTRACTING CO. PTY. LTD.  
DIRECTOR: T.I.GULER, ENG.  
197 VICTORIA AVENUE  
CHATSWOOD, N.S.W.

Our Ref:  
TF17/7117

Your Ref:  
VEX/OIP  
No.1263-553801

4th December, 1957

1255

10

A.C.E.C.,  
Charleroi,  
BELGIUM.

Dear Sirs,

S.M.H.E.A. - CONTRACT 40006 - 7 x 56 MVA  
TRANSFORMERS

Referring to your letter of the 21st ultimo we are pleased to see that you have come to a compromise with Mr. Callinan regarding your amendments to the shipping schedules. You read the letter from the Snowy expressing their satisfaction on this subject.

20

We have no objections if you ship the transformers at intervals not less than four weeks.

We have on hand your telegram of the 2nd and wish to advise that we agree if you send Unit 4 at the end of December.

Regarding the claims for delivered equipment, we claim according to the contract in Australian currency and will claim for adjustments to the exchange variation, say for every two Transformers at a time. This will save us a tremendous amount of paper work.

30

You will understand our view-point that with the very bad prices from A.C.E.C., we do not do much business and we cannot maintain scores of office staff to prepare claims every second day.

Let's hope that your assumption regarding Mr. Callinan's attitude is correct. If you obtain the order for T2 Transformers it will be my turn

to apologize, however, if we lose it you will understand your mistakes. I only hope that it should be me who will have to apologise.

Defendants  
(Appellants)  
Exhibits

Yours faithfully,

Exhibit 4  
(continued)

(Sgd.) T.I.Guler  
per EMB

Letter,  
Helios to  
A.C.E.C.  
(continued)

T.I.Guler.  
Director.

TIG/EMB

4th December  
1957

10

TF17/7123  
1258

VEV/OIP 5th December, 1957

Letter,  
Helios to  
A.C.E.C.

A.C.E.C.,  
Charleroi,  
BELGIUM.

5th December  
1957

Dear Sirs,

S.M.H.E.A. CONTRACT NO. 40,006  
7 x 56 MVA TRANSFORMERS FOR T.I. POWER STATION

20

The customer is wondering why you have complained that progress payments were not dealt with as promptly as you had expected.

Please note that you have to calculate 3-8 weeks to obtain payment at Charleroi as from receipt of your guarantees by ourselves.

Likewise, the Bill of Lading and Packing List of the second unit has not arrived and most likely will cause delay in payments.

We shall receive from the Bank the Guarantee for the progress payments, tomorrow, and shall then issue a claim.

30

Meanwhile, we remain,

Yours faithfully,

TIG/TH

T.I.Guler.  
Director.

Defendants  
(Appellants)  
Exhibits

ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI

AD

BY AIR MAIL

Exhibit 4  
(continued)

HELIOS  
197, Victoria Avenue,  
CHATSWOOD. (Australie)

Letter,  
A.C.E.C.  
to Helios  
12th December  
1957

VEX/OIP/MI-2/No.1294 TF/17/7 123 December 12th 1957  
I 92 260  
555915

RE: S.M.H.E.A. CONTRACT No. 40 006 : PAYMENTS

Dear Sirs,

10

With reference to the first paragraph of your letter of the 5th December, we wish to let you know that we did not complain about the progress payments.

Mr Callinan having expressed the desire to get rid of all possible money during this financial year we just indicated to him that to our opinion some more payments could still be made in addition to those recently received by us.

With thanks for your explanations, we remain,  
dear Sirs,

20

(Sgd.)  
ENGINEER.

Yours faithfully,  
(Sgd.)  
EXPORT ZONE MANAGER.

Cable,  
Helios to  
A.C.E.C.  
23rd December  
1957

TELEGRAMME  
=LT=  
VENTACEC CHARLEROI

SYDNEY SUB LNG 093 18/17 23 1505 VIA IMP

=SNOWY PREPARED TO PAY THREE MORE PROGRESS CLAIMS  
STOP PLEASE ESTABLISH GUARANTEE L24000= ISTURK

(TRANSLATION)

A.C.E.C.

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE  
1, Rue de Brabant,  
CHARLEROI.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

SC/WD.AW.LW.  
30357

31st December, 1957

Dear Sirs,

Translation,  
Letter,  
A.C.E.C. to  
Belgian Bank

10

Banker's Undertaking for £A.24,000. O. O.  
Supply of seven 56 MVA Transformers to the  
SNOWY MOUNTAINS HYDRO ELECTRIC AUTHORITY,  
COOMA (AUST.) Contract 40,006.

31st December  
1957

We would be obliged if you would kindly cable  
the AUSTRALIA AND NEW ZEALAND BANK, Sydney,  
requesting it to contact urgently our representative:

HELIOS,  
197 Victoria Avenue,  
CHATSWOOD (N.S.W.)

20

with a view to issuing a banker's undertaking for  
£A.24,000 (twenty four thousand pounds Australian)  
required to guarantee the contingent reimbursement  
of this amount which is due to us by our client  
under the subject contract.

Thank you.

Yours faithfully,

ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI  
AM. BY AIRMAIL

Letter,  
A.C.E.C.  
to Helios

HELIOS,  
197, Victoria Avenue,  
CHATSWOOD (Australie)

31st December  
1957

30

VEV/OIP/MI/2/MF/I 92 260  
No.1314  
557673

31st December 1957

Re: 7-56 MVA TRANSFORMERS - CONTRACT NO. 40 006  
SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY

Dear Sirs,

We wish to acknowledge receipt of your cable  
dated 24th inst worded as follows:



Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C.  
to Helios  
(continued)

31st December  
1957

"SNOWY PREPARED TO PAY THREE MORE PROGRESS CLAIMS  
STOP PLEASE ESTABLISH GUARANTEE L 24000"

to which we replied the following message:

"SNOWY YOURS 24/12 BANK GUARANTEE AUSTRALIAN POUNDS  
23317.14 ISSUE ON 22ND NOVEMBER PLEASE CONTACT ANZ  
BANK ACCORDINGLY"

We understand that possibly your above cable dated 24th inst. refers to the three progress claims stated in our letter No.553 801 of the 21st November 1957 for which the bank guarantee of £.A.23,317.14.4 was issued from here on 22nd November. 10

If such is not the case, would you kindly confirm by return cabled instructions what is the right position and to be made.

We are also wondering whether these three progress claims as put forward by your cable of 24th December would not mean a substitution of progress claims (on units 5-6-7) to three 20% FOB payments (on units 1-3-4). Would you please confirm.

Thanking you beforehand, we remain, dear  
Sirs, 20

Yours faithfully,

(Sgd.)

(Sgd.)

ENGINEER.

EXPORT ZONE MANAGER.

Your cable received today clarifies the position.

---

Defendants  
(Appellants)  
Exhibits

The following photo-copy has been  
allocated page number 816.

Exhibit 4  
(continued)

Application  
for Foreign  
Currency by  
Helios.

22nd January  
1958.

*Cher de la A.S. de Belgique SA/Bruxelles  
 110.51 BF 3704065  
 28977-14-3  
 Note cheques  
 J.P. Coiffé*

AUSTRALIA

EXCHANGE CONTROL FORM 11

Application for Foreign Currency\*  
 (Other than for Travelling).

\*"Foreign Currency" includes notes, coins, postal notes, money orders, bills of exchange, promissory notes, drafts, letters of credit and any other instrument payable or expressed otherwise than in Australian money, and also includes rights and instruments of title, to money other than Australian money.

NOTE: It is an offence under the Banking (Foreign Exchange) Regulations to make a false statement in this application.

Name of Bank and Branch.

To A.N.Z. BANK MARTIN PLACE... SYDNEY

Full Name(s).

I/We Hollia Heavy Electrical Engineering Constructing Co. Pty. Ltd.

Full Address.

of 197 Victoria Avenue, CHATSWOOD.

State name and amount of currency.

hereby apply for Foreign Currency amounting to £A 28,977.14.3

Telegraphic transfer, mail transfer, draft, letter of credit, etc., and where amount is to be credited to an a/c. show name and address of banker. State name and address of payee.

in the form of Cable

A.C.E.C. CHARLEROI..BRIGIUM.

Give full particulars of transaction.

for the purpose of Import Licence No. 165264 & 150956

Message: Contract 40,000

*23.1.58*

*ENTIRE PASSE*

I/We declare that:

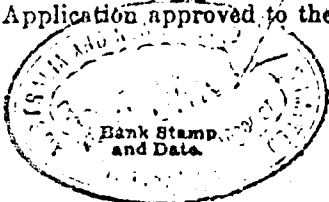
- (a) the final destination of the said Foreign Currency is Belgium.
- (b) I/we have not made any other application for Foreign Currency for the purpose stated.
- (c) I/we neither own nor have any interest in any Foreign Currency except as may have been obtained for other purposes under Part II of the Banking (Foreign Exchange) Regulations, or as stated on the reverse hereof.

Dated 22.1.58

(Signature of Applicant)

FOR BANK USE ONLY.

Application approved to the extent of BF Represented 28977-14-3



(Signature of Authority Officer.)

TRANSLATION

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE

24.1.58

A/476

S.A. ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI,  
CHARLEROI.Defendants  
(Appellants)  
ExhibitsExhibit "4"  
(continued)Translation  
Letter Belgian  
Bank to  
A.C.E.C.24th January  
1958

Dear Sirs,

Confirmation of our telephone conversation of  
today.Payment of B.F.3,204,065.61 from Helios  
Reference: Contract 40,006

In order that we may clear the above amount,  
we would be obliged if you would let us have by  
return mail the documentary evidence required  
under the new regulation of the Belgo-Luxembourgish  
Exchange Institute, namely :

1) Export covered by a document endorsed prior to  
1.10.57

- 20 - subject to licence : a certified copy of  
the invoice, the num-  
ber of the licence  
and the name of the  
relevant bank.
- not subject to licence : a certified copy of  
the invoice, the num-  
ber of model H or J.

2) Export covered by a document established after  
1.10.57

- 30 - subject to licence : certified copy of  
the invoice, sheets  
B1 and B4 of the  
licence.
- not subject to licence : certified copy of  
the licence, sheets  
B2 and B3 of the  
export advice plus  
sheet B1 if the ex-  
port has not yet  
taken place.
- 40

Defendants  
(Appellants)  
Exhibits

3) Amounts exceeding BF. 10,000.- received in respect of transactions other than export.

Exhibit "4"  
(continued)

In addition, kindly let us have your instructions regarding these funds.

Translation  
Letter Belgian  
Bank to  
A.C.E.C.  
(continued)

The present communication does not in any way constitute an undertaking on our part, and is given subject to cancellation or new instructions from the payer, or any legal or statutory provisions that may apply.

24th January  
1958

Yours .....

10

Letter A.C.E.C.  
to Belgian  
Bank

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE,  
1, Rue de Brabant,  
CHARLEROI.

1819

30th January  
1958

SC/GV/RS/AW.  
2815

30 Janvier 1958

Messieurs

Concerne: Vos avis de credit :

du 9.7.56	de Frs B.	1.333.162,09	
11.8.56	"	1.113.020,00	20
17.9.56	"	522.930,00	
26.9.56	"	870.440,00	
12.10.56	"	2.499.975,00	
16.11.56	"	870.440,00	
12.12.56	"	4.432.800,00	
14.12.56	"	4.201.323,00	
27.12.56	"	3.442.860,00	
3.1.57	"	2.499.975,00	
16.1.57	"	353.188,00	
4.2.57	"	4.201.323,00	30
26.3.57	"	274.350,00	
3.5.57	"	8.939.200,00	
13.7.57	"	10.156.500,00	

Il nous plairait de connaitre avec exactitude et rapidement, le nom des donneurs d'ordre des credits susdits.

Avec nos vifs remerciements, nous vous presentons, Messieurs, nos salutations distinguees.

Mr. Guillery  
VEX/OIP

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE,

1, Rue de Brabant,

CHARLEROI.

1819

SC/GV/RS/AW.  
2815

30 Janvier 1958

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
A.C.E.C. to  
Belgian Bank  
(with  
notations)

Messieurs,

		In Ink		
10	Concerne: Vos avis de credit :			30th January 1958
	du 9.7.56 de Frs B.	1.333.162,09	71 - ECNSW	
	1 11.8.56 "	1.113.020,00	382/209 - ECNSW	
	2 17.9.56 "	522.930,00	382/209 - ECNSW	
	3 26.9.56 "	870.440,00	382/209 - ECNSW	
	4 12.10.56 "	2.499.975,00	400 - ECNSW	
	16.11.56 "	870.440,00	382/209 - ECNSW	
	12.12.56 "	4.432.800,00	466A - SECWA	
	14.12.56 "	4.201.323,00	382/209 - ECNSW	
	27.12.56 "	3.442.860,00	159/54 - WRCC	
	3.1.57 "	2.499.975,00	400 - ECNSW	
20	16.1.57 "	353.188,00	382/209 - ECNSW	
	4.2.57 "	4.201.323,00	382/209 - ECNSW	
	6 26.3.57 "	274.350,00	400 - ECNSW	
	3.5.57 "	8.939.200,00	334A - SECWA	
	7 13.7.57 "	10.156.500,00	54/54/1A - SEC.Victoria	

Il nous plairait de connaitre avec exactitude et rapidement, le nom des donneurs d'ordre des credits susdits.

Avec nos vifs remerciements, nous vous presentons, Messieurs, nos salutations distinguees.

30 (Translation)

re : Credit Advices.

.....

We would like to know precisely and urgently on whose account the above-mentioned credit orders were issued.

Defendants  
(Appellants)  
Exhibits

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE

CHARLEROI, le 3 fevrier 1958

476 A

Exhibit "4"  
(continued)

CHANGE GM S.A. ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI.  
SC.GV.RS.AW.2815

Letter  
Belgian Bank  
to A.C.E.C.

Messieurs,

Concerne : credits recus en votre faveur d'Australie.

3rd February  
1958

Nous vous prions de trouver ci-dessous les renseignements demandes par votre lettre du 30 ecoule: 10

<u>dates</u>	<u>montants</u>	<u>donneurs d'ordre</u>	
9.6.56	frs 1.333.162,09	The Electric Light & Power a Sydney (o/Pait. telegr.du 7.6.56 de l'Australia and New Zealand Bank, Sydney)	
11.8.56	1.113.020.-	Helios, Sydney	
17.9.56	522.930.-	Helios, Sydney	
26.9.56	870.440.-	Helios, Sydney	
12.10.56	2.499.975.-	Helios, Sydney	
17.11.56	870.440.-	Anzbank a Sydney, s.i. de Helios	20
12.12.56	4.432.800.-	The State Electricity Commission of Western Tremantle	
14.12.56	4.201.323.-	The Electricity Commission of New South Wales, Sydney	
27.12.56	3.442.860.-	State Electricity Commis- sions of New South Wales, Sydney	
3.1.57	2.499.975.-	State Electricity Commis- sions of Western Australia, Tremantle	30
16.1.57	353.188.-	The Electricity Commissions of New South Wales, Sydney	
4.2.57	4.201.323.-	The Electricity Commissions of New South Wales, Sydney (ordre de paiement du 1.2.57)	
27.3.57	274.350.-	Helios Sydney	
3.5.57	8.939.200.-	State Electricity Commis- sions of New South Wales, Sydney	40
13.7.57	10.156.500.-	Helios Contract 54/55/IA, Sydney	

Nous esperons que ces indications vous donneront satisfaction, et vous presentons, Messieurs, l'expression de notre consideration distinguee.

J. MAUFORT  
Porteur de Procuration

Z. GILLE  
Fonde de Pouvoirs

## BANQUE DE LA SOCIETE GENERALE DE BELGIQUE

CHARLEROI, le 3 fevrier 1958

476 A

CHANGE GM

S.A. ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI.

SC.GV.RS.AW.2815

Messieurs,

Concerne; credits recus en votre faveur d'Australie

10 Nous vous prions de trouver ci-dessous les renseignements demandes par votre lettre du 30 ecoule:

	<u>dates</u>	<u>montants</u>	<u>donneurs d'ordre</u>
	9.6.56	frs 1.333.162,09 H 295/1	The Electric Light & Power a Sydney (o/Pait.telegr.du 7.6.56 de l'Australia and New Zealand Bank, Sydney)
	11.8.56	1.113.020.-	Helios, Sydney ECNSW 382
	17.9.56	522.930.-	Helios, Sydney " 382
	26.9.56	870.440.-	Helios, Sydney " 382
20	12.10.56	2.499.975.-	Helios, Sydney " 400
	17.11.56	870.440.-	Anzbank a Sydney, s.i. de Helios
	12.12.56	4.432.800.-	The State Electricity Commission of Western Tremantle
	14.12.56	4.201.323.-	The Electricity Commission of New South Wales, Sydney 209
	27.12.56	3.442.860.-	State Electricity Commiss- ions of New South Wales, Sydney
30	3.1.57	2.499.975.-	State Electricity Commiss- ions of Western Australia, Tremantle
	16.1.57	353.188.-	The Electricity Commissions of New South Wales, Sydney 209
	4.2.57	4.201.323.-	The Electricity Commissions of New South Wales, Sydney (ordre de paiement du 1.2.57)
40	27.3.57	274.350.-	Helios Sydney
	3.5.57	8.939.200.-	State Electricity Commiss- ions of New South Wales, Sydney
	13.7.57	10.156.500.-	Helios Contract 54/55/IA, Sydney

Defendants  
(Appellants)  
ExhibitsExhibit "4"  
(continued)Letter  
Belgian Bank  
to A.C.E.C.  
(with  
notations)3rd February  
1958

West.Austr.



Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
Belgian Bank  
to A.C.E.C.  
(with  
notations)  
(continued)

3rd February  
1958

Nous esperons que ces indications vous  
donneront satisfaction, et vous presentons,  
Messieurs, l'expression de notre consideration  
distinguee.

J. MAUFORT  
Porteur de Procuration

Z. GILLE  
Fonde de Pouvoirs

(Translation)

We set out hereunder particulars requested in  
your letter of the 30th ultimo.

Letter  
A.C.E.C. to  
A.N.Z. Bank  
Limited

7th February  
1958

AIR MAIL

10

AUSTRALIA AND NEW ZEALAND BANK,  
SYDNEY.  
Australie.

1819

SC/GV/RS/AW.  
3706

7th February 1958

Dear Sirs,

We have great pleasure in introducing to you  
the bearer of this letter, Mr. GUILLERY, our Ex-  
port Zone Manager for South-East Asia and Austra-  
lasia, who is visiting Australia for business  
purposes.

20

During his trip, Mr. GUILLERY will be calling  
at your bank, in order to make certain enquiries,  
and, in particular, to obtain information regard-  
ing the procedure followed for the transfer of  
funds by our customers to the "BANQUE DE LA SOCIETE  
GENERALE DE BELGIQUE", in CHARLEROI (Belgium).

We should be most grateful if you could supply  
our delegate with all relevant details on the  
subject.

30

Thanking you in anticipation, We are,

Yours very truly,

Defendants  
(Appellants)  
Exhibits

The following photo-copy has been  
allocated page number 822A.

Exhibit 4  
(continued)

Application  
for foreign  
currency.

11th February  
1958.

APPLICATION

Application for Foreign Currency  
(Other than for Trade)

*Handwritten notes:*  
110.63  
BF 23317-14-4  
Chapman

Foreign Currency" in the notes, coins, postal notes, money orders, bills of exchange, promissory notes, checks, bills of lading, any other document payable or endorsed either directly to Australian money, or also include gifts, and instruments of title, to money other than Australian money.  
NOTE: The applicant under the Banking (Foreign Exchange) Regulations to make a false statement in this form is liable to a fine of \$1000.

To A.N.Z. BANK, MARTIN PLACE.  
I/we HELLOS HEAVY ELECTRICAL ENGINEERING CONTRACTING CO. PTY. LTD.  
of 197 Macquarie Avenue, CHATSWOOD.  
State name and amount of currency. hereby apply for Foreign Currency amounting to £23,317.14.4.

Telegraphic transfer, bank transfer, draft, bill of credit, etc., in the form of cash or telegraphic transfer  
of which amount is to be credited to an A.C.E.C. account of CHARLES ROBERT GIBB of the Bank of Australia at CHATSWOOD address of payee.

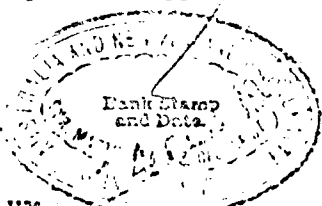
Give full particulars of transaction. for the purpose of Impact Licence No. 180286  
MESSAGE: Contract 40,006.

14 FEB 1958  
I/we declare that:  
(a) the final destination of the said Foreign Currency is BELGIUM  
(b) I/we have not made any other application for Foreign Currency for the purpose stated.  
(c) I/we neither own nor have any interest in any Foreign Currency except as may have been obtained for other purposes under Part II of the *Banking (Foreign Exchange) Regulations*, or as stated on the reverse hereof.

Dated 11.2.58  
HELLOS HEAVY ELECTRICAL ENGINEERING CONTRACTING CO. PTY. LTD.  
197 MACQUARIE AVENUE, CHATSWOOD, N.S.W.  
*[Signature]*  
(Signature of Applicant)

FOR BANK USE ONLY.

Application approved to the extent of BF equivalent of 23317-14-4



*[Signature]*  
(Signature of Authorising Officer)

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE

CHARLEROI, le 15.2.1958

A 476

S.A. ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI

CHANGES MM

CHARLEROI

Messieurs,

Ordre de paiement du 14.2.1958 de F.B.2.579.638,92  
emanant de l'Anzbank a Sidney. (Message Helios  
contract 40006)

10

CONFIRMATION DE NOTRE CION TELEPHONIQUE DE CE JOUR

Nous vous saurions gre, pour nous permettre de  
vous bonifier le montant precite, de nous remettre,  
par retour du courrier, les documents justificatifs  
exiges par la nouvelle reglementation de l'Institut  
Belgo-Luxembourgeois du Change, a savoir:

1<sup>o</sup>) Exportation couverte par un document vise avant  
le 1er octobre 1957

20

- soumise a licence : une copie certifiee  
conforme de la facture,  
le numero de la licence  
et le nom de la Banque  
qui l'a visee
- non soumise a licence : une copie certifiee  
conforme de la facture,  
le numero du modele H  
ou J

2<sup>o</sup>) Exportation couverte par un document etabli  
apres le 1er octobre 1957

30

- soumise a licence : copie certifiee con-  
forme de la facture  
volets B 1 et B 4 de  
la licence
- non soumise a licence : copie certifiee con-  
forme de la facture  
volets B 2 et B 3 de  
l'avis d'exportation  
plus le volet B 1 sil'  
exportation n'a pas  
encore eu lieu

40

3<sup>o</sup>) Montant de plus de Frs; 10.000.- recu en  
couverture d'operations autres que des expor-  
tations

Defendants  
(Appellants)  
ExhibitsExhibit "4"  
(continued)Letter  
Belgian Bank  
to A.C.E.C.15th February  
1958

Defendants  
(Appellants)  
Exhibits

Veillez également avoir l'obligeance de nous faire connaitre la destination a donner a ces fonds.

Exhibit "4"  
(continued)

La presente communication ne comporte aucun engagement de notre part et vous est donnee sous reserve de toutes instructions contraires ou nouvelles du donneur d'ordre, ou de toutes dispositions legales ou reglementaires a intervenir.

Letter  
Belgian Bank  
to A.C.E.C.  
(continued)

Veillez agreer, avec nos remerciements, l'assurance de notre consideration distinguee.

10

15th February  
1958

Letter  
Belgian Bank  
to A.C.E.C.

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE 476 A

CHARLEROI, le 19.2.1958

19th February  
1958

ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI S.A.,

CHANGES P.J.

CHARLEROI.

Messieurs,

Confirmation de n/comm. telephonique de ce jour

Ordre de paiement du 18.2.58 de FB 2.212.600,-

D'ordre de : Helios, Sydney

Mention : contract n° 40006.

20

Nous vous saurions gre, pour nous permettre de vous bonifier le montant precite, de nous remettre, par retour du courrier, les documents justificatifs exigés par la nouvelle reglementation de l'Institut Belgo-Luxembourgeois du Change, a savoir :

1°) Exportation couverte par un document vise avant le 1er octobre 1957

- soumise a licence : une copie certifiee conforme de la facture, le numero de la licence et le nom de la Banque qui l'a visee

30

- non soumise a licence : une copie certifiee conforme de la facture, le numero du modele H ou J

2°) Exportation couverte par un document établi  
après le 1er octobre 1957

- soumise a licence : copie certifiée con-  
forme de la facture  
volets B 1 et B 4 de  
la licence

- non soumise a licence : copie certifiée con-  
forme de la facture  
volets B 2 et B 3 de  
l'avis d'exportation  
plus le volet B 1  
sil'exportation n'a  
pas encore eu lieu.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
Belgian Bank  
to A.C.E.C.  
(continued)

19th February  
1958

10

3°) Montant de plus de Frs : 10.000,- reçu en  
couverture d'operations autres que des  
exportations

Veillez également avoir l'obligeance de nous  
faire connaitre la destination a donner a ces  
fonds.

20

La presente communication ne comporte aucun  
engagement de notre part et vous est donnée sous  
reserve de toutes instructions contraires ou  
nouvelles du donneur d'ordre, ou de toutes dis-  
positions legales ou reglementaires a intervenir.

Veillez agreer, avec nos remerciements,  
l'assurance de notre consideration distinguee.

---

Defendants  
(Appellants)  
Exhibits

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE

476 A

SIEGE ADMINISTRATIF DE  
CHARLEROI

Charleroi le 19.2.1958

Exhibit "4"  
(continued)

Nos. References: ATELIERS DE CONSTRUCTIONS  
CHANGES P.J. ELECTRIQUES DE CHARLEROI S.A.  
CHARLEROI

Confirmation  
of Telephone  
Communication  
Belgian Bank  
to A.C.E.C.

Gentlemen,

19th February  
1958

Confirmation of our telephone communication  
of today

10

Order of Payment of 18.2.58 for FB 2.212.600.-  
by order of : Helios, Sydney

Regarding: Contract No. 40006.

SAME AS SHEET 4/4/58

Letter  
Helios to  
A.C.E.C.  
3rd March 1958

1320 TF17/7460 VEX/OIP 3rd March, 1958

A.C.E.C.,  
Charleroi,  
BELGIUM

Dear Sirs,

S.M.H.E.A. - CONTRACT 40006 - 7 x 56 MVA  
TRANSFORMERS

20

We wish to advise that we transferred to you  
by cable on the 14th ultimo the sum of B.F.  
2212600. being part payment under the above  
Contract.

Yours faithfully,

T.I. Guler.  
Director

EMB

Confidential and  
personal

A C E C

ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE  
CHARLEROI

Societe Anonyme Au Capital de un Milliard de  
Francs.

Colonel J. Guillery,  
22 Yarranabbe Road,  
Darling Point,  
SYDNEY,  
New South Wales. Australia

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Translation  
Letter

A.C.E.C. to  
Colonel J.  
Guillery

28th March 1958

10

Our Reference  
VEX/OIF/MLA  
92 260  
567202

Charleroi, Le (Belgique)  
28/3/58.

Dear Mr. Guillery,

Re Snowy Mountains Contract 40 006  
Payment of the Snowy

We acknowledge receipt of your telegram of 27th  
March as under

20

"KINDLY AIRMAIL URGENT MY PERSONAL ADDRESS  
SUMMARY DETAILED CONFIDENTIAL WITH DATES PAY-  
MENTS SNOWY FROM ORIGIN UP TO TO-DAY."

The "Service Comptabilite" (Accounts Department)  
has communicated to us the following reply to your  
request.

30

<u>No.</u>	<u>Payment Received</u>	<u>Belgian Francs</u>
1)	3/7/56	6,964.222.-
2)	4/6/57	4,332,430.96
3)	17/9/57	1,087,244.55
4)	5/11/57	1,723,800.57
5)	24/1/58	3,204,065.61
6)	14/2/58	2,579,638.92
7)	18/2/58	2,212,600.-
		<u>22,104,002.61</u>

Hoping this information will reach you in good  
time, we beg to believe, dear Mr. Guillery, in the  
expression of our devoted sentiment.

MORSA INT



Defendants  
(Appellants)  
Exhibits

SHEET NO. 3

476A

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE

Exhibit "4"  
(continued)

SIEGE ADMINISTRATIF

DE CHARLEROI

Charleroi, le 4.4.1958

Translation  
Letter  
Belgian Bank  
to A.C.F.C.

Reference No.

CHANGES P.J.

ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI S.A.,

CHARLEROI

4th April 1958 Gentlemen,

Confirmation of our telephonic conversation of today. 10

Payment order of 4/4/58 for Belgian Francs 2 767 750  
Reference - Message Helios Details following

We shall be very much obliged, to enable us to pay you the above amount, if you will remit to us by return mail the documents required by the new regulations of the Belgo-Luxemburg Institute of Exchange that is to say.

1. Export covered by a document visaed before 1st October, 1957 20

Submitted to licence - one copy certified according to the invoice, the number of the licence, the name of the Bank which visaed it.

Not submitted to licence - one copy certified according to the invoice, the number of form H or J. 30

2. Export covered by a document issued after the 1st October 1957

Submitted to licence - one copy certified according to the invoice "Volets" B1 and B4 of the licence.

Not submitted to licence - one copy certified according to the invoice "Volets" B2 and B3 of the advice of export plus the Volet B1 if the export has not yet taken place. 40

3. Amount of more than 10,000 francs received in cover of operations other than exports:-

Defendants  
(Appellants)  
Exhibits

Please also have the kindness to let us know the destination where to send these funds.

Exhibit "4"  
(continued)

This present communication does not convey any engagement on our part and is given to you, under reserve of all instructions contrary or new of the giver of order (remitter), or all legal or regulations which might intervene.

Translation  
Letter  
Belgian Bank  
to A.C.E.C.  
(continued)

10 Kindly accept gentlemen, with our thanks, the assurance of our distinguished consideration.

4th April 1958

JULES E. GUILLERY

Sydney, 26 April 1958

private and confidential

Copy letter  
J. Guillery  
to Mr. Callinan

Mr. Callinan  
Chief Electrical and Mechanical  
Engineer  
S.M.H.E.A.  
Cooma.

26th April  
1958

Dear Mr. Callinan,

20 I would like to renew my thanks for the kind assistance you gave me by communicating to me the document regarding payments made by the Snowy Authority on Contract 40006.

30 I am glad to inform you that I have found everything perfectly in order: all remittances from Snowy for A.C.E.C. have been transferred by the Representative. Only in a few cases some delay occurred in the transfer, due to the fact that the money was temporarily used for paying local expenses such as customs duties, rail transport etc. but as soon as the Authority reimbursed those expenses to the Representative, the amounts received by him were immediately transferred. This procedure is perfectly normal and never raised any objection from A.C.E.C.

I am particularly happy that, thanks to your valuable help, I have been able to find out that that there was not even the slightest carelessness

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Copy letter  
J. Guillery  
to Mr. Callinan  
(continued)

26th April 1958

in the attitude of our agent in the present case and I think you will be pleased also to hear that.

I thank you very much for your agreement about my visit to the Snowy Scheme on the 5th and 6th May and I confirm my arrival by the night train at 7.30 a.m. on the 5th. Would you kindly inform Mr. Dussendorf who, I think, will travel by the same train.

Looking forward to that very interesting visit.

10

I remain,

Dear Mr. Callinan,  
Yours very sincerely,  
Guillery.

Translation  
Letter  
A.C.E.C.  
to Helios

28th May 1958

A. C. E. C.  
(Translation from the French)

HELIOS  
Heavy Electrical Engineering Contract-  
ing Co. Pty. Ltd.  
197 Victoria Avenue,  
CHATSWOOD,  
New South Wales,  
Australie.

20

No. 572 862

28/5/58

For the attention of Mr. GULER

Dear Sir,

We confirm our cable of the 27th instant which reads as follows:-

"AUDITORS CANNOT ACCEPT STATEMENT DATED 12/5 AS  
"BASED ON APPROXIMATE AMOUNTS STOP INSIST STATE-  
"MENT MUST BE BASED ON CERTIFIED FIGURES FOR ALL  
"CLIENTS FOR COMPARISON WITH OUR OWN BOOKS AT  
"CHARLEROI STOP MOREOVER ARE BEING HARASSED BY  
"FOREIGN EXCHANGE CONTROL FOR NON COLLECTION OF  
"OVERSEAS DEBTS".

30

"CAUCHIE - DU MORTIER".

As advised in our letter of 12/5/58, we have issued specific instructions to our Mr. GUILLERY for him to examine in detail, in conjunction with you and the clients, the reasons for the delays in

40

payments, in order that we may satisfy ourselves as to the soundness of our credits.

10 Relative to our query regarding interests on certain moneys owing (S.E.C. Victoria and S.E.C. Western Australia), you were good enough to reply in part by forwarding us copy of a cheque No.30058 from the S.E.C. of Victoria. This document is at present being studied, but under pressure from our Auditors we must ask you to let us have on an urgent basis a similar document from the S.E.C. of Western Australia.

In addition, our Auditors consider that your Statement dated 12/5/58 (manuscript and typed textes) addressed to A.C.E.C.-Charleroi is altogether unacceptable for the purpose of their investigations.

20 The Balance Sheet is, in fact, entirely approximate (starting with your first figure); most of the amounts included therein are estimated only and are not supported by documentary evidence. Nevertheless, we have asked our Accounts Department to verify your figures, but this work has only just begun and will be of secondary interest only as far as our Auditors and Accounts are concerned, as long as we are not in possession of a document to enable us to check your figures against our Statements. (Refer our list of outstanding payments forwarded to our Mr. GUILLERY)

30 Your Balance Sheet of 12/5/58 estimates outstanding payments at £A139,000. We cannot, of course, be satisfied with this estimate and must request you to provide us with a breakdown of this figure showing the amount due by each client, together with detailed evidence obtained from these clients.

40 Moreover, we are experiencing serious difficulties owing to the fact that the Belgium-Luxembourg Institute of Foreign Exchange is beginning to suspect the genuineness of our credits and, in the circumstances, may soon charge us with the disguised export of capital.

In conclusion, we would ask you to let us have without delay the detailed statement for all clients referred to above, in order that we may satisfy our Auditors in establishing by cross reference the relation between amounts due and payments effected.

Thanking you in anticipation, we remain, .....

Defendants  
(Appellants)  
Exhibits

Exhibits "4"  
(continued)

Translation  
Letter  
A.C.E.C.  
to Helios  
(continued)

28th May 1958

Defendants  
(Appellants)  
Exhibits

TF17/7851

29th May, 1958

Exhibit "4"  
(continued)

Mr. J. Guillery,  
"Twenty-Two",  
22 Yarranabbe Road,  
DARLING POINT

Letter  
Helios to  
J. Guillery  
29th May 1958

Dear Mr. Guillery,

CONTRACT 40,006. SNOW MOUNTAINS AUTHORITY

Further to our telephone conversation of to-  
day's date, please find set out hereunder the  
Import Licences applied for under the above  
Contract:-

10

Import Licence No.	039706	- Value	£95,000	- Completed
"	"	"	150986	- " 65,000 - Completed
"	"	"	165264	- " 45,000 - Completed
"	"	"	D235196	- " 80,000 - Balance
				£35,506
"	"	"	E223681	- " 80,000 - Not used
"	"	"	J234692	- " 60,000 - Not used

Enclosed herewith please find copies of the  
last 3 licences viz. D235196, E223681, J234692.

20

Thanking you, we remain,

Yours faithfully,

T.I. Guler.

TH.

Director

Letter  
S.M.H.E.A. to  
J. Guillery

5th August  
1958

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY

COPY OF COMMUNICATION

AE 965

Your Ref: 520000/S.24

5th August, 1958

Mr. J.E. Guillery,  
A.C.E.C. Delegate,  
C/- French Bank Buildings,  
12 Castlereagh Street,  
SYDNEY. N.S.W.

30

Dear Sir,

Contract 40,006 - 7 x 56 MVA Transformers  
for T.1 Power Station

We thank you for your letter of 24th July, 1958  
in which you advised that you will be submitting  
documents to substantiate claims for Transport in  
Australia for Units 6 and 7.

40

Claims for transport in Australia on Units 6 and 7 have been submitted by your Company's Representative in Australia, Helios Heavy Electrical Engineering Contracting Co. Pty. Ltd. The amount claimed on each unit is £2,820 which includes 10% increase in rail rates since 1st July, 1956.

10 We note from your letter that there is likely to be some delay in the transfer to Belgium of portion of the Authority's last remittance. As a result, costs for exchange will not be incurred until an undetermined future date, i.e. when transfers are made.

The position as to exchange paid or payable under the Contract may be summarised as under :-

- (a) Exchange has been incurred on remittances and claims submitted in respect of amounts shown on Claims 1, 41/42, 44/46, 51/52 and 54/55 respectively. No further comment is necessary on these transfers.
- 20 (b) Remittances against Claims Nos. 3, 4, 5, 12, 14/15, 20/22, 26/30, 32, 37 have been made in part only and claims for variations in exchange have not been submitted.
- (c) The total payments in Australian currency made to A.C.E.C. against the claims referred to in (b) above amounted to £A 175,575. 2. 4. At the Contract rate of exchange (112 BF = £A 1) the number of Belgian Francs which should have been remitted was 19,664,413.15. As at 31st March, 1958, Messrs. A.C.E.C. had received against claims referred to in (b) BF 17907530.61, the difference being BF 1756882.54 or £A 15,686. 9. 1.
- 30

The procedure discussed for the adjustment of the appropriate exchange variations may, we suggest, operate as follows:-

- (i) The date of receipt by Helios Heavy Electrical Engineering Contracting Co. Pty. Ltd. of the Authority's cheques, shall be the date for application of the rate of exchange to the sum to be remitted.
- 40 (ii) The amounts due for exchange variations shall be calculated as if transfers of the required amounts were made on the dates so arrived at.
- (iii) Total exchange variation payable by the Authority on claims enumerated in (b) shall be the sum arrived at by calculating the exchange variations payable as in (ii) less an

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Letter  
S.M.H.E.A. to  
J. Guillery  
(continued)

5th August 1958

Defendants  
(Appellants)  
Exhibits

amount calculated by the same method on the sum of £A15,686. 9. 1. due for transfer, but not transferred at date of claim.

Exhibit "4"  
(continued)

(iv) For the purpose of computation, the sum of £A15,686. 9. 1. shall be deemed to have formed part of remittances as under:-

Letter  
S.M.H.E.A. to  
J. Guillery  
(continued)

20th March, 1958	£2,506.10.4	(Claim 37)
28th February, 1958	£13,179.18.9	(Part Claims 29/32)

10

5th August 1958

(v) As further overseas remittances are made against the sum of £A15,686. 9. 1. exchange variations calculated as in (iii) will be paid until the sum of £A15,686. 9. 1. is totally transferred.

Similar procedures to that outlined can be adopted in respect of any future payments, overseas remittance of which it is desired to defer. As and when these payments are transferred exchange variations can be claimed on the basis set out above.

20

As substantiation of amounts remitted in future, (i.e. after Claim 55), the Authority would be pleased to receive a copy of the Bank's remitting warrant along with claim for variation.

For your guidance, we enclose a schedule of payments to your agent for remittance overseas and amounts received by A.C.E.C.

Yours faithfully,

J.C. Callinan,  
Chief Engineer,  
Electrical and Mechanical.

30

Copy for:-

Helios Heavy Electrical Engineering Contracting Co. Pty. Ltd.,  
196 Victoria Avenue,  
CHATSWOOD. N.S.W.

40,006 - PAYMENTS  
OVERSEAS

Defendants  
(Appellants)  
Exhibits

Claim No.	Date of Cheque	Amount	B.F. at 112 to LIA.	Date for Exchange Variations	Exhibit "4" (continued)
	1 25.6.56	62,180.11.	2 6,964,222.53	3. 7	Enclosure with letter S.M.H.E.A. to J. Guillery 5th August 1958
	3 27.5.57	38,862.17.	1 4,352,639.66		
	4 30.8.57	9,822. 8.	7 1,100,112.06		
	5 23.9.57	15,545. 2.	10 1,741,055.86		
10	12 21.10.57	5,660. 6.	5 633,955.93		
	14 19.12.57	23,317.14.	3 2,611,583.86		
	15 30.1.58	6,787. 9.	9 760,198.60		
	20 "	14,616. 0.	0 1,636,992.00		
	21 "	1,510. 0.	0 169,120.00		
	22 "	4,199.16.	0 470,377.60		
	26 "	3,510. 0.	0 393,120.00		
	27 12.2.58	23,317.14.	3 2,611,583.86		
	28 28.2.58	7,472.11.	5 836,927.93		
	29 "	7,772.11.	5 870,527.93		
20	30 "	7,020. 0.	0 786,240.00		
	32 "	3,654. 0.	0 409,248.00		
	37 20.3.58	2,506.10.	4 280,729.86		
		237,755.13.	6 26,628,635.68		

The above represent payments made to the Australian Agent for remittance overseas, made on Claim No. 1 only. Exchange variations on claims after Claim No. 37, have

Note: Against the above moneys, the following remittances have been made by the

<u>Date Received</u> <u>by A.C.E.C.</u>	<u>B/F.</u>
3/7/56	6,964,222.00
4/6/57	4,332,430.96
17/9/57	1,087,244.55
5/11/57	1,723,800.57
24/1/58	3,204,065.61
14/2/58	2,579,638.92
18/2/58	2,212,600.00
31/3/58	2,767,750.00
	<u>24,871,752.61</u>

As exchange variation on Claim No.1 has been settled by the Authority, with your A Belgium is B.F. 1756882.54 or £A.15,686. 9. 1.



Defendants  
(Appellants)  
Exhibits

MADE BY AUTHORITY

Exhibit "4"  
(continued)

Rate	Cost	Variation	Remarks
------	------	-----------	---------

Enclosure  
with letter  
S.M.H.E.A. to  
J. Guillery  
(continued)

110.12	63242.2.4	1061.11. 2	Paid Claim No. 2
--------	-----------	------------	------------------

5th August 1958

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On which exchange adjustment has been made and  
paid to the French Bank.

Australian Agent.

Agent, the amount short remitted to

AUGUST 1958SCHEDULE K.Defendants  
(Appellants)  
ExhibitsSTATEMENTS OF SITUATIONas of 30/6.58 regarding payments due to ACEC under  
the following contractsExhibit "4"  
(continued)

Contract Nr	ACEC ref.No.	Customer	Equipment to be supplied
E. 60	I. 91889	E.C.N.S.W.	8 - 30 MVA transformers
295	I. 92057		1 - 31250 kVA auto-transform
10 262	I. 92143		2 - 30 MVA transformers
319	I. 92177		1 - 3 MVA capacitor bank
209 )	I. 92211		6 - 45 MVA transformers
382 )			
295/1	I. 92247		1 - 31500 kVA auto-transform
400	I. 92275		8 - 10 MVA transformers
334 A	I. 92115	S.E.C.W.A.	2 - 45 MVA transformers + 2 - 15 MVA regulating tfo
487 A	I. 92117		2 - 10 MVA transformers
466 A	I. 92161		2 - 15 MVA transformers
100 A	I. 92263		2 - 10 MVA transformers
159/54	I. 92159	N.R.C.C.	10 - 5 MVA transformers
54-55/1A	I. 92261	S.E.C.V.	7 - 20 MVA transformers
54-55/45	I. 92337		108 - ALVS 60 lightning arresters
40 006	I. 92259	S.M.H.E.A.	7 - 56 MVA transformers

Statements of  
Situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
5th August  
1958TO WHOM IT MAY CONCERN

30

I certify that the enclosed documents listed  
above are in conformity with our Company's accounts.ATELIERS DE CONSTRUCTIONS ELECTRIQUES  
DE CHARLEROI

STAMP

A. DU MORTIER

Controller and Financial Manager

Vu pour legalisation de la signature de Mr. A. Du Mortier  
apposee ci-dessus

Vu pour legalisation de la signature de Mr.

40

apposee sur le present  
document  
Bruxells, le 5 aout 1958  
Pour le Ministre des  
Affaires Etrangeres et  
du Commerce Exterior  
Le Fonctionnaire delegue  
No.6538  
GELMENS

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)

5th August  
1958

GENERAL NOTE

Statements of situation covering sundry sales and the uncovered balance of which, as of June 30th, 1958, amounts to approximately 1 300 000.- Belgian Francs, will be forwarded subsequently, in completion of enclosed statements covering contracts.

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I. 91889

ELECTRICITY COMMISSION OF NEW SOUTH WALES

Contract n° E.60 (between E.C.N.S.W. and A C E C)

8 - 30 MVA TRANSFORMERS

Dates of falling due or payments	Cumulative payments due by ECNSW to ACEC B F	Cumulative payments received B F	Uncovered balance B F
30/6.58	38 917 529	38 504 977	412 552

Defendants  
(Appellants)  
ExhibitsExhibit "4"  
(continued)  
Statements of situation regarding payments due to A.C.E.C. as at 30th June 1958 (Contract No. E.60)5th August  
195810 N.B.

1) Invoices: 4820/70 - 4913/70 - 5142/70 - 5221/70 -  
5685/70 - 5551/70 - 5733/70 - 5876/70 -  
5885/70 - 732/132 - 983/132 - 982/132

2) A commission in accordance with credit notes already established, is to be allocated to HELIOS on the FOB value included in the amount of 38 917 529.- BF, after completion of payments due in accordance with the contract.

20 3) Disbursements made by HELIOS for the above contract on behalf of ACEC are to be reimbursed after justification by HELIOS and approval by ACEC.

The credit notes relative to the commission and disbursements are shown on separate documents.

---

Defendants  
(Appellants)  
Exhibits

I. 92 057

THE ELECTRICITY COMMISSION OF NEW SOUTH WALES

Exhibit "4"  
(continued)

Contract 295 (between ECNSW and ACEC)

Statements of  
situation  
regarding

1 - 31500 kVA AUTO-TRANSFORMER

payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)  
Contract 295

5th August  
1958

Dates of falling due or Payments	Invoices	Cumulative payments due by ECNSW to ACEC at various dates	Payments received		Uncovered balance	
			B F	B F	B F	B F
30/6.55	536/132 )					
30/6.55	636/132 )	1 094 992			1 094 992	
31/8.55	536/132 )					
31/8.55	636/132 )					
31/8.55	647/132 )	1 252 286			1 252 286	
9/7.56			1 248 832		3 454	
31/8.56	536/132 )					
31/8.56	636/132 )					
31/8.56	647/132 )	1 318 195			69 363	
10/9.56			74 443		- 6 080	
30/6.58	-	1 318 195			- 6 080	

10

20

N.B.-- 1) A commission of 56 205.- BF on 1 318 195.- BF in accordance with credit notes already established is to be allocated to HELIOS on the FOB value included in the above amount, after completion of payments due in accordance with the contract.

The credit notes relative to the commission are shown on separate documents.

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I. 92 143

THE ELECTRICITY COMMISSION OF NEW SOUTH WALES  
 Contract n<sup>o</sup> 262 (between ECNSW and ACEC)  
2 - 30 MVA TRANSFORMERS

Defendants  
 (Appellants)  
 Exhibits

Exhibit "4"  
 (continued)

Statements of  
 situation  
 regarding  
 payments due  
 to A.C.E.C.  
 as at 30th  
 June 1958  
 (continued)  
 Contract No.  
 262

5th August  
 1958

10	Dates of falling due or Payments	Invoices	Cumulative payments due by ECNSW to ACEC at various dates	Payments received	Uncovered balance
			B F	B F	B F
	29/2.56	1344/132	3 422 525		3 422 525
	31/3.56	1410/132 )			
	31/3.56	1405/132 )	7 201 775		
	1/4.56			6 171 680	1 030 095
	31/5.56	1344/132 )			
	31/5.56	1405/132 )			
	31/5.56	1410/132 )	8 371 921		2 200 241
	31/5.56	1446/132 )			
20	9/6.56			649 995	1 550 246
	30/6.56			1 444 755	105 491
	31/5.57	1344/132 )			
	31/5.57	1405/132 )			
	31/5.57	1410/132 )	8 811 507		545 077
	31/5.57	1446/132 )			
	21/12.57			401 775	143 302
	30/6.58		8 811 507		143 302

N.B.-

- 30 1) A commission of 176 264.- BF on 8 811 507.- BF in accordance with credit notes already established is to be allocated to HELIOS on the FOB value included in the above amount, after completion of payments due in accordance with the contract.
- 2) Disbursements made by HELIOS for the above contract on behalf of ACEC are to be reimbursed after justification by HELIOS and approval by ACEC.

40 However in this particular instance, no justification has yet been received to date.

The credit notes relative to the commission are shown on separate documents.

Defendants  
(Appellants)  
Exhibits

I. 92177

ELECTRICITY COMMISSION OF NEW SOUTH WALES

Exhibit "4"  
(continued)

Contract 319 (between ECNSW and ACEC)

Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)  
Contract 319  
5th August  
1958

1 - 3 MVAR capacitors bank

Dates of falling due or payments	Invoices	Cumulative payments due by ECNSW to ACEC at various dates	Payments received	Uncovered balance
		B F	B F	B F
29/8.55	973/132	711 760		711 760
20/12.55			688 597	23 163
30/6.58		711 760		23 163

10

N.B.-

- 1) A commission of 34 174.- BF on 711 760.- BF in accordance with credit notes already established, is to be allocated to HELIOS on the FOB value included in the above amount, after completion of payments due in accordance with the contract.

20

The credit notes relative to the commission is shown on separate documents.

I. 92 211

1. Defendants  
(Appellants)  
ExhibitsTHE ELECTRICITY COMMISSION OF NEW SOUTH WALESContracts n<sup>o</sup> 209 and 382 (between E.C.N.S.W. and  
A C E C)6 - 45 MVA TRANSFORMERSExhibit "4"  
(continued)  
Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)  
Contracts No.  
209 and 382  
5th August  
1958

	Dates of falling due or Payments	Invoices	Cumulative payments due by ECNSW to ACEC at various dates - BF.	Payments received  B F	Uncovered balance  B F
	(1)	(2)	(3)	(4)	(5)
10	15/5.56	1617/132	3 694 950		3 694 950
	15/5.56	1641/132	8 366 210		8 366 210
	24/5.56			7 407 812	958 398
	30/6.56	1679/132			
	30/6.56	1681/132			
20	30/6.56	1617/132			
	30/6.56	1679/132			
	30/6.56	1681/132			
	30/6.56	1641/132	9 972 312		2 564 500
	15/7.56	1831/132	13 667 262		6 259 450
	28/7.56			3 690 298	2 569 152
	31/7.56	1887/132	17 362 212		6 264 102
	11/8.56			1 113 020	5 151 082
	23/8.56			3 699 370	1 451 712
	13/9.56			522 930	928 782
	26/9.56			870 440	58 342
30	30/9.56	1998/132			
	30/9.56	1996/132	17 947 693		643 823
	15/10.56	1887/132			
	15/10.56	1998/132	18 414 139		1 110 269
	31/10.56	1831/132			
	31/10.56	1996/132	18 885 972		1 582 102
	17/11.56			870 440	711 662



Defendants (Appellants) Exhibits	(1)	(2)	(3)	(4)	(5)	
Exhibit "4" (continued)	30/11.56	2295/132 <sup>*</sup>	22 634 089		4 459 779	
	14/12.56			4 201 323	258 456	
Statements of situation regarding payments due to A.C.E.C. as at 30th June 1958 (continued)	31/12.56	2433/132 <sup>*</sup>	26 388 879		4 013 246	
	15/1.57	2409/132 <sup>*</sup>	26 786 860		4 411 227	
	16/1.57			353 128	4 058 099	
	31/1.57	2295/132 <sup>*</sup>	}			
	31/1.57	2409/132 <sup>*</sup>				
31/1.57	2433/132 <sup>*</sup>	27 716 376		4 987 615		
Contracts No. 209 and 382 (continued)	4/2.57			4 201 323	786 292	10
	28/2.57	2514/132 <sup>*</sup>	28 152 512		1 222 428	
5th August 1958	30/6.57	1617/132	}			
	30/6.57	1679/132				
	30/6.57	1681/132	28 677 371		1 747 287	
	30/6.57	1641/132				
	10/8.57			693 247	1 054 040	
	2/9.57			426 148	627 892	
	15/10.57	1887/132	}			
15/10.57	1998/132	28 910 594			861 115	
30/10.57			58 580	802 535	20	
31/10.57	1831/132	}				
31/10.57	1996/132		29 146 510		1 038 451	
30/11.57	3728/132	29 169 510		1 061 451		
21/11.57			333 292	728 159		
31/1.58	2295/132 <sup>*</sup>	}				
31/1.58	2409/132 <sup>*</sup>					
31/1.58	2433/132 <sup>*</sup>	}				
31/1.58	2514/132 <sup>*</sup>		29 657 225		1 215 874	
3/4.58			222 606	993 268		
26/4.58			354 003	639 265	30	
30/6.58			29 657 225	639 265		

(\*) - The invoices marked with an asterisk refer to contract n° 209.

N.B.-

1) A commission of 540 789.- BF on 29 657 225.- BF in accordance with credit notes already established is to be allocated to HELIOS on the FOB value included in the above amount, after completion of payments due in accordance with the contracts.

2) Disbursements made by HELIOS for the above contracts on behalf of ACEC are to be reimbursed after justification by HELIOS and approval by ACEC. However in this particular instance no justification has yet been received to-date.

10

The credit notes relative to the commission are shown on separate documents.

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)

Contracts No.  
209 and 382  
(continued)

5th August  
1958

-----

Defendants  
(Appellants)  
Exhibits

I. 92 247

THE ELECTRICITY COMMISSION OF NEW SOUTH WALES

Exhibit "4"  
(continued)

Contract 295/1 (between ECNSW and ACEC)

Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)

1 - 31500 kVA AUTO-TRANSFORMER

Contract 295/1

5th August  
1958

Dates of falling due or payments	Invoices	Cumulative payments due by ECNSW to ACEC at various dates B F	Payments received		Uncovered balance	
			B	F	B	F
15/5.56	1627/132	1 192 550			1 192 550	
30/6.56	1683/132	1 239 317			1 239 317	
9/6.56			1 333 162		- 93 845	
15/8.56	1627/132 )	1 385 119				
15/8.56	1683/132 )				51 957	
15/8.57	1627/132 )	1 458 020				
15/8.57	1683/132 )				124 858	
12/11.57			62 492		62 366	
30/6.58		1 458 020			62 366	

10

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N.B.-

- 1) A commission of 60 204.- BF on 1 458 020.- BF in accordance with credit notes already established, is to be allocated to HELIOS on the FOB value included in the above amount, after completion of payments due in accordance with the contract.

The credit notes relative to the commission are shown on separate documents.

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I. 92 275

THE ELECTRICITY COMMISSION OF NEW SOUTH WALES

Contract 400 (between ECNSW and ACEC)

8 - 10 MVA TRANSFORMERS1. Defendants  
(Appellants)  
ExhibitsExhibit "4"  
(continued)Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)  
Contract 400  
5th August  
1958

10

20

30

Dates of falling due or payments	Invoices	Cumulative payments due by ECNSW to ACEC at various dates	Payments received		Uncovered balance	
			B F	B F	B F	B F
(1)	(2)	(3)	(4)		(5)	
31/8.56	1970/132	2 474 775			2 474 775	
30/9.56	1970/132 )					
30/9.56	2014/132 )	3 095 285			3 095 285	
30/9.56	2014/132 )					
12/10.56			2 499 975		595 310	
30/11.56	2296/132	5 570 060			3 070 085	
3/1.57			2 499 975		570 110	
31/1.57	2403/132	5 881 920			881 970	
28/2.57	2403/132 )					
28/2.57	2296/132 )	6 209 760			1 209 810	
15/3.57	2728/132	8 684 535			3 684 585	
27/3.57			274 350		3 410 235	
30/4.57	2778/132	8 989 107			3 714 807	
10/5.57			2 839 584		875 223	
15/5.57	2924/132	11 789 347			3 675 463	
31/5.57			274 350		3 401 113	
1/6.57			2 499 975		901 138	
15/6.57	2728/132)					
15/6.57	2778/132)	12 116 329			1 228 120	
15/7.57	3140/132	12 498 568			1 610 359	

Defendants (Appellants) Exhibits	(1)	(2)	(3)	(4)	(5)
Exhibit "4" (continued)	10/8.57			502 821	1 107 538
Statements of situation regarding payments due to A.C.E.C. as at 30th June 1958 (continued)	15/8.57	2924/132	} 12 872 977		1 481 947
	15/8.57	3140/132			
	30/9.57	1970/132	} 13 035 888		1 644 858
	30/9.57	2014/132			
	28/2.58	2296/132	} 13 199 808		1 808 778
	28/2.58	2403/132			
Contract 400 (continued)	15/6.58	2728/132	13 345 383		1 954 353
	15/6.58	2778/132	13 363 299		1 972 269
5th August 1958	30/6.58		13 363 299		1 972 269

N.B.-

1) A commission of 118 132.- BF on 13 363 299.- BF in accordance with credit notes already established, is to be allocated to HELIOS on the FOB value included in the above amount, after completion of payments due in accordance with the contract.

2) Disbursements made by HELIOS for the above contract on behalf of ACEC, are to be reimbursed after justification by HELIOS and approval by ACEC. However, in this particular instance, no justification has yet been received to-date.

The credit notes relative to the commission are shown on separate documents.

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I. 92 115

STATE ELECTRICITY COMMISSION OF WESTERN AUSTRALIA

Contract 334 A (between SECWA and HELIOS)

2 - 45 MVA TRANSFORMERS + 2 - 15 MVA REGULATORSDefendants  
(Appellants)  
ExhibitsExhibit "4"  
(continued)Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)

Contract 334A

5th August  
1958

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Dates of falling due or Payments	Invoices	Cumulative payments due by HELIOS to ACEC at various dates		Payments received		Uncovered balance	
		B	F	B	F	B	F
31/1.57	2634/132	5	290 650			5	290 650
15/2.57	2690/132)						
15/2.57	2689/132)	11	167 646			11	167 646
15/2.57	2701/132)						
28/2.57	2730/132)						
28/2.57	2731/132)	11	923 022			11	923 022
30/4.57	2634/132)						
30/4.57	2689/132)						
30/4.57	2701/132)	13	211 452			13	211 452
30/4.57	2731/132)						
3/5.57				8	939 000	4	272 252
6/9.57				1	050 605	3	221 647
30/6.58	-	13	211 452			3	221 647

N.B.-

30

1) A commission and extra commission of 213 134.- BF and 380 372.- BF on 13 211 452.- BF in accordance with credit notes already established, are to be allocated to HELIOS on the FOB value included in the above amount, after completion of payments due in accordance with the contract.

2) Disbursements made by HELIOS for the above contract on behalf of ACEC are to be reimbursed after justification by HELIOS and approval by ACEC.

However in the particular instance, no justification has yet been received to-date.

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The credit notes relative to the commission are shown on separate documents.

Defendants  
(Appellants)  
Exhibits

I. 92 117

STATE ELECTRICITY COMMISSION OF WESTERN AUSTRALIA

Exhibit "4"  
(continued)

Contract 487 A (between SECWA and HELIOS)

Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)

2 - 10 MVA TRANSFORMERS

Contract 487A  
5th August  
1958

Dates of falling due or Payments	Invoices	Cumulative payments due by HELIOS to ACEC at various dates		Payments received		Uncovered balance	
		B	F	B	F	B	F
30/12.55	1271/132	2	717 000			2	717 000
30/12.55		2	978 087			2	978 087
14/5.56				2	717 000		261 087
30/6.56	1271/132	3	121 087				404 087
30/6.56		3	134 829				417 829
30/6.58		3	134 829				417 829

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N.B.-

- 1) A commission of 99 680.- BF on 3 134 829.- BF in accordance with credit notes already established is to be allocated to HELIOS on the FOB value included in the above amount, after completion of payments due in accordance with the contract. 20
- 2) Disbursements made by HELIOS for the above contract on behalf of ACEC are to be reimbursed after justification by HELIOS and approval by ACEC. This amount known to-date is 16 156.- BF. 30

The credit notes relative to the commission and reimbursement of HELIOS's disbursements are shown on separate documents.

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I. 92 161

STATE ELECTRICITY COMMISSION OF WESTERN AUSTRALIA

Contract 466 A (between SECWA and HELIOS)

2 - 15 MVA TRANSFORMERS

Dates of falling due or Payments	Invoices	Cumulative payments due by HELIOS to ACEC at various dates		Payments received		Uncovered balance	
		B	F	B	F	B	F
15/10.56	2220/132	5	405 760			5	405 760
12/12.56	-		-	4	432 800		972 960
31/12.56	2222/132	5	666 497			1	233 697
31/12.56	2294/132	5	807 580			1	374 780
15/7.57	2220/132	6	408 220			1	975 420
15/7.57	2222/132	6	437 190			2	004 390
8/8.57				331	770	1	672 620
30/6.58	-	6	437 190			1	672 620

Defendants  
(Appellants)  
ExhibitsExhibit "4"  
(continued)Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)

Contract 466 A

5th August  
1958N.B.-

- 1) A commission of 152 014.- BF on 6 437 190.- BF in accordance with credit notes already established, is to be allocated to HELIOS on the FOB value included in the above amount, after completion of payments due in accordance with the contract.
- 2) Disbursements made by HELIOS for the above contract on behalf of ACEC are to be reimbursed after justification by HELIOS and approval by ACEC.

However in this particular instance, no justification has yet been received to-date.

The credit notes relative to the commission are shown on separate documents.



Defendants  
(Appellants)  
Exhibits

I. 92 263

STATE ELECTRICITY COMMISSION OF WESTERN AUSTRALIA

Exhibit "4"  
(continued)

Contract 100 A (between SECWA and HELIOS)

Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)

2 - 10 MVA TRANSFORMERS

Contract 100A  
5th August  
1958

Dates of falling due or Payments	Invoices	Cumulative payments due by HELIOS to ACEC at various dates	Payments received		Uncovered balance	
			B F	B F	B F	B F
31/1.57	2491/132	1 615 000			1 615 000	
15/2.57	2613/132	3 230 000			3 230 000	
28/2.57	2543/132	3 404 761			3 404 761	
30/4.57	2756/132	3 590 429			3 590 429	
1/6.57			1 338 000		2 252 429	
31/7.57	2491/132	3 675 429			2 337 429	
31/7.57	2543/132	3 684 629			2 346 629	
15/8.57	2613/132	3 769 629			2 431 629	
15/8.57	2756/132	3 779 399			2 441 399	
8/9.57	-		1 106 100		1 335 299	
30/6.58	-	3 779 399			1 335 299	

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N.B. 1) A commission of 113 178.- BF on 3 779 399.- BF in accordance with credit notes already established is to be allocated to HELIOS on the FOB value included in the above amount, after completion of payments due in accordance with the contract.

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The credit notes relative to the commission are shown on separate documents.

I. 92 159

1.

NORTHERN RIVERS COUNTRY COUNCIL

Contract 159/54 (between N.R.C.C. and HELIOS)

10 - 5 MVA TRANSFORMERSDefendants  
(Appellants)  
ExhibitsExhibit "4"  
(continued)Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)Contract  
159/545th August  
1958

	Dates of falling due or Payment	Invoices	Cumulative payments due by HELIOS to ACEC at various dates B F	Payments received B F	Uncovered balance B F
	(1)	(2)	(3)	(4)	(5)
	30/4.56	1401/132	494 008		494 008
	30/4.56	1411/132	2 698 008		2 698 008
	14/5.56			2 204 000	494 008
	15/5.56	1497/132	2 988 118		784 118
	31/5.56	1520/132	5 192 118		2 988 118
	30/6.56	1570/132	5 476 307		3 272 307
20	26/7.56			2 204 000	1 068 307
	15/8.56	1804/132	6 578 307		2 170 307
	31/8.56	1886/132	6 721 988		2 313 988
	31/8.56	1888/132	7 823 988	2 700 000	715 988
	15/9.56	1950/132	7 967 193		859 193
	15/9.56	1952/132	9 069 193		1 961 193
	30/9.56	2012/132	9 280 943		2 172 943
	31/10.56	1401/132	9 306 944		2 198 944
	31/10.56	1411/132	9 422 944		2 314 944
	15/11.56	1497/132	9 438 213		2 330 213
30	30/11.56	1520/132	9 554 213		2 446 213
	15/12.56	2238/132	12 280 523		5 172 523
	27/12.56			3 442 860	1 729 663
	31/12.56	1570/132	12 295 481		1 744 621
	31/12.56	2297/132	12 604 776		2 053 916
	15/2.57	2629/132	13 706 776		3 155 916

Defendants (Appellants) Exhibits	(1)	(2)	(3)	(4)	(5)
Exhibit "4" (continued)	15/2.57	1804/132	13 764 776		3 213 916
	28/2.57	1886/132	13 772 339		3 221 479
Statements of situation of regarding payments due to A.C.E.C. as at 30th June 1958 (continued)	28/2.57	1888/132	13 830 339		3 279 479
	15/3.57	1950/132	13 837 876		3 287 016
	15/3.57	1952/132	13 895 876		3 345 016
	31/3.57	2012/132	13 907 021		3 356 161
	15/4.57	2693/132	14 059 314		3 508 454
	15/4.57	2705/132	14 075 231		3 524 371
	15/5.57	2238/132	14 218 721		3 667 861
Contract 159/54 (continued)	11/6.57			1 281 790	2 386 071
	30/6.57	2297/132	14 235 000		2 402 350
	15/7.57	2629/132	14 293 000		2 460 350
5th August 1958	15/10.57	2693/132	14 301 016		2 468 366
	30/6.58	-	14 301 016		2 468 366

N.B.-

- 1) A commission of 393 795.- BF on 14 301 016.- BF in accordance with credit notes already established, is to be allocated to HELIOS on the FOB value included in the above amount, after completion of payments due in accordance with the contract.
- 2) Disbursements made by HELIOS for the above contract on behalf of ACEC are to be reimbursed after justification by HELIOS and approval by ACEC. However, in this particular instance, no justification has yet been received to-date.

The credit notes relative to the commission are shown on separate documents.

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I. 92 261

1. Defendants  
(Appellants)  
ExhibitsSTATE ELECTRICITY COMMISSION OF VICTORIA

Contract 54-55/1A (between SECVIC and HELIOS.)

7 - 15 MVA TRANSFORMERS

Exhibit "4"  
(continued)  
Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)  
Contract  
54-55/1A  
5th August  
1958

	Dates of falling due or Payments	Invoices	Cumulative payments due by HELIOS to ACEC at various dates	Payments received	Uncovered balance
			B F	B F	B F
10	31/10.56	2338/132	3 672 900		3 672 900
	15/11.56	2431/132	7 345 800		7 345 800
	30/11.56	2355/132	8 010 600		8 010 600
	31/12.56	2338/132	9 914 743		9 914 743
	31/12.56	2355/132			
	31/12.56	2496/132			
	15/1.57	2431/132	10 964 143		10 964 143
20	31/1.57	2496/132	12 560 386		12 560 386
	31/1.57	2617/132			
	28/2.57	2695/132	12 812 086		12 812 086
	31/3.57	2695/132	13 285 800		13 285 800
	31/3.57	2617/132			
	30/6.57	2338/132	13 905 471		13 905 471
	30/6.57	2355/132			
	15/7.57	2431/132	14 525 142		14 525 142
	15/7.57	2496/132			
	15/7.57			10 156 500	4 368 642
30	30/9.57	2617/132	14 761 999		4 605 499
	30/9.57	2695/132			
	28/2.58	4579/850	15 373 305		5 216 805
	19/5.58			2 761 750	2 455 055
	30/6.58		15 373 305		2 455 055

Defendants  
(Appellants)  
Exhibits

N.B.-

Exhibit "4"  
(continued)

Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)

Contract  
54-55/LA  
(continued)

5th August  
1958

1)- A commission of 292 904.- BF on 15 373 305.-  
BF in accordance with credit notes already  
established, is to be allocated to HELIOS on  
the FOB value included in the above amount,  
after completion of payments due in accord-  
ance with the contract.

2)- Disbursements made by HELIOS for the above  
contract on behalf of ACEC are to be reim-  
bursed after justification by HELIOS and  
approval by ACEC.

10

However in this particular instance, no justi-  
fication has yet been received to-date.

The credit notes relative to the commission  
are shown on separate documents.

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I. 92 337STATE ELECTRICITY COMMISSION OF VICTORIA

Contract 54-55/45 (between SECVIC and HELIOS)

108 - ALVS 60 Lightning Arresters

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Dates of falling due or Payments	Invoices	Cumulative Payments due by HELIOS to ACEC at various dates	Payments received	Uncovered balance
		B F	B F	B F
30/4.56	1412/132	333 000		333 000
15/5.56	1504/132	719 280		719 280
30/9.56	1412/132	756 280		756 280
15/10.56	1504/132	799 200		799 200
30/10.56			719 280	79 920
30/6.58		799 200		79 920

Defendants  
(Appellants)  
ExhibitsExhibit "4"  
(continued)Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)Contract  
54-55/45  
5th August  
1958N.B.-

- 20 1) A commission of 39 960.- BF on 799 200.- BF in accordance with credit notes already established, is to be allocated to HELIOS on the FOB value included in the above amount, after completion of payments due in accordance with the contract.
- 2) Disbursements made by HELIOS for the above contract on behalf of ACEC are to be reimbursed after justification by HELIOS and approval by ACEC.
- 30 However, in this particular instance, no justification has yet been received to-date.

The credit notes relative to the commission are shown on separate documents.

Defendants  
(Appellants)  
Exhibits

I. 92 259

SNOWY MOUNTAINS HYDRO-ELECTRIC AUTHORITY

Exhibit "4"  
(continued)

Contract 40 006 (between SNOWY & ACEC)

Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)

7 - 56 MVA TRANSFORMERS

Contract  
40 006

5th August  
1958

Dates of falling due or payments	Invoices	Cumulative payments due by SNOWY to ACEC at various dates		Payments received		Uncovered balance	
		B	F	B	F	B	F
3/7.56		8	P	6	964 222		
4/6.57		13	P	4	332 430	20	210
31/8.57	3443/132	710	528+13P			730	738
31/8.57	3443/132						
31/8.57	3443/132						
31/8.57	3487/132						
31/8.57	3459/132	1	822 028+13P			1	842 238
17/9.57				1	087 244	754	994
5/11.57		1	822 028+15P	1	723 800	772	250
31/12.57	3948/132						
31/12.57	3948/132						
31/12.57	3949/132						
31/12.57	3972/132						
31/12.57	3950/132						
31/12.57	3950/132	5	682 301+15P			4	632 523
24/1.58		5	682 301+18P	3	204 065	4	040 042
31/1.58	4093/132						
31/1.58	3973/132						
31/1.58	4095/132						
31/1.58	4095/132	7	343 345+18P			5	701 086
14/2.58		7	343 345+21P	2	579 638	5	733 032

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	(1)	(2)	(3)	(4)	(5)
	18/2.58			2 212 600	3 520 432
	28/2.58	4125/132			
	28/2.58	4126/132			
	28/2.58	4116/132			
	28/2.58	4116/132			
	28/2.58	4117/132			
	28/2.58	4117/132			
	28/2.58	4166/132			
10	28/2.58	4165/132			
	28/2.58	4165/132			
	28/2.58	4195/132			
	28/2.58	4198/132	10450 276+21P		6 627 363
	31/3.58	4394/132			
	31/3.58	3494/132			
	31/3.58	4444/132	10696 385+21P		6 873 472
	31/3.58			2 767 750	4 105 722
	30/4.58	4526/132			
	30/4.58	4526/132			
20	30/4.58	4613/132			
	30/4.58	4614/132	12589 670+21P		5 999 007
	15/5.58	4201/132	12602 270+21P		6 011 607
	18/5.58			4 309 284	1 702 323
	31/5.58	4687/132			
	31/5.58	4687/132			
	31/5.58	4749/132	14252 499+21P		3 352 554
	15/6.58	4818/132			
	15/6.58	4866/132			
	15/6.58	4866/132			
30	15/6.58	4680/132			
	15/6.58	4686/132	15775 744+21P		4 875 799
	20/6.58			1 245 371	3 630 428
	30/6.58	4891/132	16290 197+21P		4 144 881

Defendants  
(Appellants)  
Exhibits

Exhibit "4"  
(continued)

Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)

Contract  
40 006  
(continued)

5th August  
1958



Defendants  
(Appellants)  
Exhibits

N.B.

Exhibit "4"  
(continued)

Statements of  
situation  
regarding  
payments due  
to A.C.E.C.  
as at 30th  
June 1958  
(continued)

Contract  
40 006  
(continued)

5th August  
1958

- 1) A commission of 1.7837 % BF on FOB value, is to be allocated to HELIOS after completion of payments due in accordance with this contract.
  
- 2) Disbursements made by HELIOS for the above contract on behalf of ACEC, are to be reimbursed after justification by HELIOS and approval by ACEC.  
However, in this particular instance, no justification has yet been received to-date.
  
- 3) (a) - The figure in our books as of the 30th of June 1958 shows a balance in our favour  
of . . . . . 11 441 379.- BF
  
- (b) - The statement of situation  
shows a balance of . . . . . 4 144 881.- BF
  
- (c) - The difference, i.e. . . . . 7 296 498.- BF  
represents amounts already invoiced  
but not yet falling due, or collected  
by HELIOS and not as yet transferred  
to our Company.

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For your guidance, may we point out that, owing to certain transactions between the customer and Mr GULER, Director of HELIOS, acting personally, and which were unknown to us prior to Mr GUILLERY's present visit to Australia, several items are still under discussion and will require to be rectified; the amount stated under S. 3 (a) above may thus have to be amended accordingly.

-----  
P = 20% (870 528.- BF) progress payment on the contractual FOB price.

30

21 P = 870 528x 21 i.e. 18 281 088.- Belgian francs

-----

ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI

Defendants  
(Appellants)  
Exhibits

Registered

The Manager,  
Australia & New-Zealand Bank  
Limited,  
Box 5220, GPO,  
SYDNEY, Australia.

Exhibit 4  
(continued)

Letter,  
A.C.E.C. to  
ANZ Bank,  
Sydney

SC/GV/RS/AW.  
671.

12th January, 1960

12th January  
1960

10 Dear Sir,

Attention Mr Germon  
Payments by the Snowy Mountains Authority

ACEC is the holder of Contract No. 40006 for the supply of certain transformers for T1 Power Station. We have been unable to trace certain progress payments claimed by the Authority to have been made to us in July, 1956, in May, August, September, October and December 1957, and in January, February and March, 1958.

20

Photocopies of the cheques drawn by the Authority for these payments have now been sighted by us and we find that each of the cheques in question was crossed not negotiable and drawn in favour of ACEC or Order. The precise wording of the cheques was as follows:

"PAY ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE  
"CHARLEROI C/- HELIOS HEAVY ELECTRICAL ENGINEERING  
"CONTRACTING COMPANY PTY LTD 197, VICTORIA AVENUE  
"CHATSWOOD N.S.W."

30

"OR ORDER"

None of these cheques have been paid into ACEC's account and ACEC has not given any authority or order for the cheques to be paid otherwise than in accordance with their express terms.

We are further advised that the whole of these cheques were collected by your Bank to the credit of an account of Helios Heavy Electrical Engineering Contracting Company Pty Ltd.

40

Attached is the list of cheques which we have so far been able to identify.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C. to  
ANZ Bank,  
Sydney  
(continued)

12th January  
1960

Enclosure  
with letter,  
A.C.E.C. to  
ANZ Bank,  
Sydney

12th January  
1960

We write to enquire what steps your Bank proposes to take to make good the loss suffered by ACEC by reason of your Bank's conversion of its property.

Yours faithfully,

(Sgd.)

A.C.E.C. SC/GV/RS/AW No.671

12.1.1960

LIST OF CHEQUES DRAWN BY SNOWY MOUNTAINS  
H-E AUTHORITY IN FAVOUR OF ACEC CREDITED  
TO ACCOUNT OF HELIOS

10

<u>Date of payment</u>	<u>Amount of cheque</u>	
25. 6.56	62,180.11. 2)	
	1,061.11. 2)	
27. 5.57	38,862.17. 1	
30. 8.57	9,822. 8. 7	
23. 9.57	15,545. 2.10	
21.10.57	5,660. 6. 5	
19.12.57	23,317.14. 3	
30. 1.58	6,787. 9. 4)	
"	14,616. 0. 0)	
"	1,300. 0. 0)	
"	210. 0. 0)	30,623. 5. 4.
"	4,199.16. 0)	
"	3,510. 0. 0)	
7. 2.58	23,317.14. 3	
28. 2.58	7,472.11. 5)	
"	7,772.11. 5)	
"	7,020. -. 0)	25,919. 1.10.
"	3,654. 0. 0)	
20. 3.58	2,506.10. 4	
	<u>£238,817. 4. 3</u>	

20

30

AG/HMC

Martin Pl. & George St.,  
Sydney, N.S.W., Aust.

23rd March, 1960.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

The Director General,  
Ateliers de Constructions Electriques de Charleroi,  
B.P. No.254,  
CHARLEROI. BELGIUM.

Letter,  
ANZ Bank,  
Sydney to  
A.C.E.C.

Dear Sir,

Payments by the Snowy Mountains  
Authority

23rd March  
1960

We refer to your letter dated 12/1/60, and ours  
of 19/1/60.

We are investigating the position and find that  
we are unable to reconcile the figures quoted by you  
as being cheques drawn by Snowy Mountains Hydro  
Electric Authority and passed through our books.

In order to properly consider the matter, it  
would be appreciated if you could advise the amount  
which your Company considers has not been accounted  
for, and we will investigate the position further.

Yours faithfully,

(Sgd.)

Manager.

ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI

AIR MAIL

Registered  
THE MANAGER

AUSTRALIA AND NEW-ZEALAND BANK LTD.,  
Box 5220 G.P.O.  
SYDNEY.

N.S.W. Australie

Letter,  
A.C.E.C. to  
ANZ Bank,  
Sydney,

16th May 1960

SC/GV/RS/AW. 9260

16th May 1960

Dear Sirs,

Payments by the Snowy Mountains Authority

We refer to your letter of 23rd March 1960. In  
order to assist you in the investigation of the

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
A.C.E.C. to  
ANZ Bank,  
Sydney  
(continued)

16th May 1960

position we enclose list of Cheques drawn by the Snowy Mountains Authority and which we have ascertained were collected by your Bank to an account of Helios. The cheque numbers and dates are included in this list which corresponds otherwise with the list furnished to you with our letter of 12th January 1960.

We trust these details will enable you to complete your investigation.

In reference to the last paragraphs of your letter we are unable to give you the information which you have asked us to furnish as our own sources of information relating to this account are much more limited than yours.

Would you advise us as soon as possible what steps you are prepared to take to recompense us for the loss which we have suffered through these cheques having been converted because it will be necessary for us in view of the time which has elapsed to consider as a matter of urgency what action we should take to protect ourselves and to recover the loss which we have suffered.

Yours faithfully,

(Sgd.)

Enclosure  
with letter,  
A.C.E.C. to  
ANZ Bank,  
Sydney

16th May 1960

A.C.E.C. SC/GV/RS/AW No.9260 16.5.60

LIST OF CHEQUES DRAWN BY SNOWY MOUNTAINS  
H-E AUTHORITY IN FAVOUR OF A.C.E.C.  
CREDITED TO ACCOUNT OF HELIOS

<u>Date of payment</u>	<u>Cheque No.</u>	<u>Amount</u>
25. 6.56	32926	£62,180.11. 2
27. 8.56	36447	1,061.11. 2
27. 5.57	51470	38,862.17. 1
30. 8.57	57616	9,822. 8. 7
23. 9.57	58660	15,545. 2.10
21.10.57	60332	5,660. 6. 5
19.12.57	65059	23,317.14. 3
30. 1.58	67181	30,623. 5. 9
7. 2.58	67890	23,317.14. 3
28. 2.58	69084	25,919. 2.10
20. 3.58	70182	2,506.10. 4
		<u>£238,817. 4. 8</u>

(Commonwealth Bank of Australia cheques)

ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI  
AIR MAIL

Defendants  
(Appellants)  
Exhibits

The Manager  
AUSTRALIA AND NEW-ZEALAND BANK LIMITED  
Martin Place & George Street,  
SYDNEY N.S.W.  
Australie.

Exhibit 4  
(continued)

SC/GV/RS/AW  
10663

3rd June 1960

Letter,  
A.C.E.C. to  
ANZ Bank,  
Sydney

3rd June 1960

10 Dear Sir,

Payments by the Snowy Mountains Authority  
Your Ref. RF/HMC

We thank you for your letter of the 26th ult.  
and particularly appreciate your promise to  
investigate the matter promptly.

We trust you will advise us in a short time  
of the steps you propose taking to rectify the  
fault in question.

Yours faithfully,

20

(Sgd.)

AUSTRALIA AND NEW ZEALAND BANK LIMITED  
Martin Place and George Street,  
SYDNEY.  
New South Wales, Australia.

Letter,  
ANZ Bank,  
Sydney to  
A.C.E.C.

RF/BF

Your Ref: SC/GV/RS/AW 9260 --  
16/5/60 & 3/6/60.

10th June, 1960

10th June 1960

Airmail.

30 The Directors,  
Ateliers Constructims Electriques de Charleroi,  
B.P. 254,  
CHARLEROI. BELGIUM.

Dear Sirs,

Payments by the Snowy Mountains Authority

Further to my formal acknowledgment of your  
letter of 16th May, the position has been looked into  
and it is found that certain of the cheques quoted by

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Letter,  
ANZ Bank,  
Sydney to  
A.C.E.C.  
(continued)

10th June 1960

you do not agree with records of cheques handled by us. However, assistance of the Receiver was sought and we now enclose series of Schedules, A, B, C & D prepared by the Receiver from the records of the Company.

These are self explanatory, as you will see, and it would appear that of the funds paid by Snowy Mountains Hydro Electric Authority up to 28th May 1958 on the above Contract, £224,767.19. 5. has been remitted to your Company (Schedule C.) Therefore the amount unaccounted for to you would total £14,049. 5. 3., i.e. difference between figure at Schedule C. and £238,817. 4. 8. mentioned in your letter. However, in Schedule D the Receiver makes the amount of £14,183. 2. 2. against which he claims there are certain counter charges as outlined by him with a net amount of £8,510.14. 7 due to your goodselves at 31st December, 1959.

10

The final paragraph of Receiver's Schedule D, however, refers to an amount of £13,361.11.10 and not £14,049. 5. 3. as being claimed by you as owing. It will therefore be appreciated that we find it most difficult to make a reconciliation and would kindly ask you to study the various Schedules, after which we should be pleased to receive your comments.

Naturally, we are anxious to assist as much as possible to reach the correct solution, hence our seeking the assistance of the Receiver.

Yours faithfully,

30

(Sgd.) C. A. Germon

For the Manager.

SCHEDULE "A"

Total amounts due by the S.M.H.E.A. under the Contract, as at 28th May 1958, showing the proportion payable to Helios and the proportion payable to A.C.E.C.

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Helios Proportion

	Custom Duty	£19,591. 7. 8.	
	Supply of 4 slings	380. -. -.	
	Transport in Australia	15,364. -. -.	
10	Transformer Oil - Local	3,497. -. 1.	
	Transformer Oil - O/Seas	<u>9,001. 6. 4.</u>	
			47,833.14.1

Enclosure  
with letter,  
ANZ Bank,  
Sydney to  
A.C.E.C.

10th June 1960

A.C.E.C. Proportion

	Transformer Oil	8,400. -. -.	
	Transformer payments, each of 20%, F.O.B. value at various stages of mfr.		
	7 Transformers = 21 progress payments, each 1/5th of 4.352,640 B/f converted @ 112	B/f 163,223.19.7	
20			
	Progress payments, each of 20% of F.O.B. value on transformers - 1 to 4	28,377. 3.11	
	100% of spare windings shipped	18,270. -. -	
	80% of Price Variations on transformer 1 & 2 and spare windings	12,366.12. 9	
30	100% of marine freight & insce. on transformers 1 to 4 and spare windings	15,517.17. 3	
	Exchange variation	<u>1,061.11. 2</u>	
			<u>247,217. 4. 8</u>
	Total Receivable		<u>£295,050.18. 9</u>

SCHEDULE "B"

Amounts received by Helios to the 28th May 1958

Amount Received by Helios for its own Charges.

	Transformer oil	£9,739.15. 3.	
	Custom duty	15,362.17. -.	
40	Transport in Australia	12,410. -. -.	
	Supply of 4 slings	<u>380. -. -. 37,892.12. 3</u>	



Defendants (Appellants) Exhibits	<u>SCHEDULE "B" (Continued)</u>	B/F	37,892.12. 3.	
	<u>Amount Received by Helios on account of A.C.E.C.</u>			
Exhibit 4 (continued)	100% marine freight- as above		15,517.17. 3.	
Enclosure with letter, ANZ Bank, Sydney to A.C.E.C. (continued)	Progr.pay't 20% on 7 transformers		163,223.19. 7.	
10th June 1960	Progr.pay't 20% on transformers 1-4		28,377. 3.11.	
	100% spare windings		18,270. 0. -.	10
	80% price variation on transformers 1 & 2 & spare windgs.		12,366.12. 9.	
	Exchange variations		1,061.11. 2.	
	Marine Freight & Insc. - transformer oil		3,600. - . -.	
	<u>Total</u>		<u>242,417. 4. 8.</u>	
			<u>£280,309.16.11.</u>	

SCHEDULE "C"Amount remitted by Helios to A.C.E.C.

	<u>£A. as per Helios records</u>	<u>B/f credited on A.C.E.C.'s Statement</u>	
<u>1956</u>			
July 3	£A. 63,242. 2. 4.	6.964.222	
<u>1957</u>			
June 4	38,862.17. 1.	4.332.430	
Sept.17	9,822. 8. 7.	1.087.244	
Nov. 5	15,545. 2.10.	1.723.800	
<u>1958</u>			
Jan. 14	28,977.14. 3.	3.204.065	
Feb. 14	23,317.14. 4.	2.579.638	30
Feb. 18	20,000. 0. 0.	2.212.600	
Apr. 3	25,000. 0. 0.	2.767.750	
	<u>£A.224,767.19. 5.</u>	<u>24.871.749</u>	

SCHEDULE "D"Summary:-

Amount received from S.M.H.E.A. by Helios on account of A.C.E.C. as per Schedule "B"	242,417. 4. 8.		
<u>Less: Amount remitted to A.C.E.C. as per Schedule "C"</u>	<u>224,766.19. 5.</u>	<u>£17,649. 5. 3.</u>	40

	<u>SCHEDULE "D"</u> (Continued)	B/F	£17,649. 5. 3.	Defendants (Appellants) Exhibits
	Cash received by A.C.E.C. which was properly payable to Helios -			----- Exhibit 4 (continued)
	Transformer Oil	2,758.11. 2.		
	Transport & Spares	119. 0. 0.		
	Customs Duty	3,753.11.11.		Enclosure with letter, ANZ Bank, Sydney to A.C.E.C. (continued)
	Transport in Australia	<u>2,835. 0. 0.</u>		
		9,466. 3. 1.		
10	<u>Less:</u> Amount paid to Helios by A.C.E.C.	<u>6,000. 0. 0.</u>	£ 3,466. 3. 1.	
			<u>£14,183. 2. 2.</u>	10th June 1960

This leaves an amount of £14,183. 2. 2. which, according to Helios records is still payable to A.C.E.C. However, against this balance, Helios has counter-charges as follows :-

	Transformer Oil	£1,076. 5. 6.	
	Oil drums not returned by A.C.E.C.	<u>232.10. 0.</u>	
20		1,308.15. 6.	
	Deduct expenses charged to A.C.E.C. by S.M.H.E.A. which should have been charged to Helios	<u>408.10. 8.</u>	£ 900. 4.10.
	Agent's Commission payable to Helios	<u>4,772. 3. 9.</u>	<u>£5,672. 8. 7.</u>
	Leaving a net amount due to A.C.E.C. at 31/12/59 of		<u>£8,510.14. 7.</u>

30 In a letter to the Receiver dated 28th December, 1959, A.C.E.C. show an outstanding balance of £13,361.11.10 as owing under this Contract, and it is considered that they have not taken into account the expenses paid by Helios on behalf of A.C.E.C. and also Helios' commission.

Yours faithfully,

(Sgd.) J.V.Dulhunty & Co.

Agents for the Receiver.

Defendants  
(Appellants)  
Exhibits

ALLEN ALLEN & HEMSLEY  
Solicitors & Notaries

APA CHAMBERS  
53 MARTIN PLACE,  
SYDNEY.

4th August, 1960  
RCJ.FWRDS.

Exhibit 4  
(continued)

The Manager,  
A.N.Z. Bank Limited,  
2, Martin Place,  
SYDNEY.

Letter,  
Allen Allen  
& Hemsley to  
ANZ Bank,  
Sydney

Dear Sir,

10

4th August  
1960

Your letter of the 10th June addressed to the  
Director of A.C.E.C. Belgium has been handed to us  
for reply.

We have advised our client that your letter is  
not a satisfactory answer to its request of the 16th  
May. The financial dealings and present balance of  
accounts between our client and Helios Heavy Electrical  
Contracting Co. Pty. Limited whether before or  
after our client's cheques were wrongly collected to  
the account of the Company appears to us to have no  
bearing on the liability of your Bank. 20

In any event we are instructed that the figures  
listed in the schedules submitted to you by the  
Receiver are incorrect. There is room for consider-  
able argument as to many of the items and the  
schedules completely omit many facets of our client's  
dealings with Helios.

We are enclosing an amended list of the cheques  
which (we are instructed) were credited to the account  
of Helios notwithstanding the fact that they were  
crossed "Not Negotiable" and made payable to our  
client or order. We have sighted most of the cheques  
and none of these appear to have been endorsed by any  
person with authority from A.C.E.C. 30

We regret your inability to identify all cheques  
from the previous list supplied but our client was  
relying on information supplied by the Authority  
which was incomplete and in some cases did not  
specify the correct amounts of each cheque.

Yours faithfully,

40

(Sgd.) Allen Allen & Hemsley

Encl.

SCHEDULE OF CHEQUES PAID TO HELIOS ACCOUNT

Defendants  
(Appellants)  
Exhibits

Exhibit 4  
(continued)

Enclosure  
with letter,  
Allen Allen  
& Hemsley to  
ANZ Bank,  
Sydney

4th August  
1960

<u>Date</u>	<u>Amount</u>
27. 6.56	£62,180.11. 2.
27. 8.56	1,061.11. 2.
27. 5.57	38,862.17. 1.
30. 8.57	9,822. 8. 7.
9. 9.57	3,513. 1. 6.
23. 9.57	15,545. 2.10.
28.10.57	5,919.15. 2.
10 21.10.57	6,189.14.10.
12.12.57	380. 0. 0.
19.12.57	23,317.14. 3.
30. 1.58	42,636.12.11.
12. 2.58	23,317.14. 3.
28. 2.58	29,338. 5. 0.
30. 3.58	17,745. 8. 1.
14. 4.58	479. 0. 1.
	<hr/>
	280,309.16.11.

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IN THE PRIVY COUNCIL

No. 10 of 1965

ON APPEAL FROM THE SUPREME COURT OF  
NEW SOUTH WALES (SITTING IN  
COMMERCIAL CAUSES)

B E T W E E N :

AUSTRALIA AND NEW ZEALAND  
BANK LIMITED

Appellant (Defendant)

- and -

ATELIERS DE CONSTRUCTIONS  
ELECTRIQUES DE CHARLEROI

Respondent (Plaintiff)

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RECORD OF PROCEEDINGS

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V O L U M E II

(Pages 569 - 871)

Linklaters & Paines,  
Barrington House,  
59-67, Gresham Street,  
London, E.C.2.  
Solicitors for the Appellant

Farrer & Co.,  
66, Lincoln's Inn Fields,  
London, W.C.2.

Solicitors for the Respondent