

Folder 4.

(1st)

404/34

urgent.

17th. May, 1934.

The Hon. The Assistant Minister
in charge of Sustenance,
MELBOURNE.

Sir/

I beg to acknowledge the receipt of letter dated the 7th. inst. from the Officer in Charge of the Sustenance Branch intimating that information in respect of Municipalities regarding the continuation of the work for sustenance scheme is being collated for the consideration of the Employment Council and stating that the result would be notified at the earliest possible moment.

(2) 20 April - I am instructed to again emphasise the serious financial position in which this Council is placed in relation to the continuation of the scheme. As pointed out in my letter of the 20th. ulto., the bank overdraft of the Council is £3500 in excess of the corresponding period of last year and, unless action is taken to rectify the position, the Council will be faced with an overdraft of between £6000 and £7000 at the end of the financial year. In addition, the Council has to face the necessity of restoring bridges, culverts, and roads seriously damaged by floods a few months ago involving an expenditure of £7000.

In my previous letter, I intimated that, unless arrangements could be made whereby the Council could be relieved of the cost of material, supervision, and horses and drays, it would not be possible to continue the scheme after the 15th. May. As no definite reply has been received from the Government, the Council has decided to continue the work for sustenance scheme for a further period of two weeks, and I have to intimate that at the expiration of that time, unless advice is received that the Government is prepared to provide the incidental costs specified, the Council will definitely cease to provide work for sustenance.

As previously pointed out, the Council is most reluctant to take this action, but is forced to do so as a matter of grave financial necessity.

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I desire to stress the extreme urgency of the position as far as this U. is concerned.