

Melbourne,
3rd August, 1938.

Dear Mr. Spencer,

As it does not appear that this letter will catch you at New York, I am going to forward it to Chicago. So that you will understand the National Insurance position with reference to the scheme suggested to the Board by Mr. O'Connor, I am enclosing a copy of the notes of the remarks he made at the Board last Thursday. I think it is quite a sound proposal, and one which will be regarded with sympathy by the Board, but the snag, obviously, is the cost. Mr. O'Connor estimates that the whole scheme, including the continuance of the subsidy of 9d. a week to the Benefit Society in order to keep up the sick pay to the present level of £2 per week, and the extension of the Retiring Gratuity to 78 weeks instead of the present 52 so that those who retire at 65 may enjoy a pension of £2 per week for the remainder of their lives, will cost the Board £33,000 per annum. Mr. O'Connor's argument is, roughly, that if the Government relieve us of the Fire Brigades Board payment of approximately £62,000, the Board will be able to give our insured persons all these benefits and still show a profit. As to that, all that I feel disposed to say is that I shall be surprised if Mr. Guice's figures do not show that the scheme will cost the Board anything from £50,000 to £55,000 per annum. As you are aware, from what I have said on many occasions when commenting on the super-pessimistic estimates of Mr. Richardson, I never approach the preparation of an estimate from the pessimistic angle; in fact, I fancy that you were inclined to regard, for instance, my estimate of what we would save if we adhered to a rigid contract system for all our supplies as ridiculously optimistic, while it has been proved that my estimate was not sufficiently optimistic--but in this case I do not see how it would be possible for the Board to get out of Mr. O'Connor's scheme at less than £50,000 a year. So far as any relief is concerned, we shall know the intentions of the Government to-morrow when the Budget is produced.

We had a great go last Thursday with the Caulfield Council, or perhaps it would be more correct to say that the facts we laid before the Council showed Cr. Packer and Colonel Cohen up and made the Councillors present thirst for the intestines of both gentlemen! Some weeks ago the Board began to be viciously attacked in the Caulfield Press and in the Council over the matter of a through route to the city. The Deputy Chairman at last entered the ring and set out the facts as known to the Board. The chief one was that Cr. Packer had been requested to place the alternative offers before the Council, and that when it was intimated to the Board that the Council had selected the Balclava Road route as against the Hawthorn-Dandenong Road route, the Board, while surprised, at once agreed to the expressed desire of the Council. If, therefore, any blame was to be measured out, then it should surely be placed upon the shoulders of those who selected the route and not the Board. That led to a stormy scene in the Council, occasioned to some extent by our letter asking if, in point of fact, the Board's offer had ever been placed before the Council, and, if so, what was the voting in favour of the Balclava Road proposal. Cr. Packer would not reply to pointed questions, although Cr. Morris told him bluntly that he believed that he and Colonel Cohen had deceived the Council and had themselves selected Balclava Road because it suited their

He told us (I mean Cr. Morris) with every appearance of intense amusement that Col. Cohen had acted under the impression that the Hawthorn Road

route was outside his constituency! Now the gallant Colonel finds to his horror that his cleverness has landed him up against a great number of his

constituents, who would have been served had the route to the City been Brighton Cemetery, Hawthorn Road, Dandenong Road. On hearing from the

Council that it had never received the offer referred to by Mr. McGrath, the Board invited the whole Council to the meeting, requesting particularly

that Col. Cohen and Cr. Packer attend. The Colonel apparently thought discretion the better part of valour, and did not turn up, but Cr. Packer

came and faced the music, and the grilling meted out to him by Mr. McGrath, Cr. Gray and Mr. O'Connor. The two latter proved that not only had the

Board asked Cr. Packer to convey the offer, but that at two meetings in the Returned Soldiers Club they had asked him specifically to do the same thing,

and that he had assured him that he could get the majority of the Council for the Hawthorn-Dandenong Road route. Cr. Packer's explanation was that

he thought that the Chairman's communication to him was private, that he had never heard of the Hawthorn Road proposal--contradictory assertions, you will

notice--that he thought that his conversations with Cr. Gray and Mr. O'Connor were private also, that he thought he was being used for some other purpose,

and that when no official communication came from the Board that "something had slipped at this end." Naturally those varying statements received from

his colleagues the contempt they merited, and he was bluntly told that now the Council believed the offer had been made, that he had failed to put it

to the Council because of the scheme between Col. Cohen and himself, and that he had let the Council down badly. I gather there was a frightful row over

the subject at last night's meeting of the Council, the members of which, after telling Col. Cohen and Cr. Packer in particular detail what they thought

of them and their manoeuvres, decided to ask the Board to extend the Balaclev Road route to Point Nepean Road.

These are the two chief items of news since last I wrote you, and I hope the former will interest you as much as the latter will amuse. The Chairman will be glad to know that Richmond is back in the four again through beating Collingwood on Saturday. Coll. took the lead mid-way through the last quarter for the first time and led by four points with only time-off left for play. Richmond then, thanks to a mistake by Regan playing for the first time for 10 weeks, ~~not~~ got a goal, and followed it up with another and several behinds. Carlton and Footscray cannot be displaced, but the third and fourth positions are by no means settled, as only fractional percentages separate three other teams.

Will you please remember me to the Chairman and Mrs. Bell, and with affectionate regards to yourself, believe me,

Yours sincerely,