

## INTERVIEW WITH D. WEBB, HSV 7, MELBOURNE

Question: We are very interested to know your reaction to Mr. Dunstan's comments.

Prime Minister: I've got no comments about that at all. It's a Victorian Government matter so far as I am concerned. I've got no comment about that.

Question: But his comments were pretty personal about you.

Prime Minister: That doesn't mean <sup>to say</sup> I would have to reciprocate. No. I've got no comment, it's a Victorian Government matter. I would like to say that one report I saw in this morning's newspaper is totally false.

Question: You didn't get in touch with Mr. Hamer?

Prime Minister: Mr. Hamer had a phone call booked to me and told me what action he had taken at lunchtime on the day. That's all.

Question: And you did not move to have Mr. Dunstan sacked?

Prime Minister : Good heavens no. I said that's a Victorian Government matter and Mr. Hamer told me he'd made his decision and so far as I was concerned that was it. But I haven't put a view to Mr. Hamer and I haven't sought to.

Question: Do you have any objection to Mr. Dunstan's reference to your handling of the economy?

Prime Minister: Well, I just believe Mr. Dunstan is wrong. The economy is starting to improve significantly, inflation is coming down. It is going to come down further. Interest rates are starting to come down. The shading of the last Commonwealth Loan was still marginally less than the loan before and having this flow through into, as it ultimately will, to home loans for home purchases, to the ordinary bank overdrafts for individuals all around the country. At the last election I used the example; you get a 2% reduction in interest rates for the average home buyer and that saves a young couple ten dollars a week. Now, that was stated as an objective. It's still the kind of objective we are after and having got that we would want to go further.

Question: This is what Mr. Dunstan says he was after really; he wanted help for the building industry which he says is in a very serious situation in Victoria.

Prime Minister: I think Victoria may be starting to go through some of the problems that other states have experienced at an earlier time. I think you know that there had been a large surplus stock of houses in a number of states that built just couldn't be sold and that's been a drag on the market for I think much longer than many people thought. But in the -- we had to come to the view that there was too much reliance in total terms

Prime Minister: (cont)

on the Federal Budget for housing and therefore we wanted matching arrangements because we had been advised that the States were asking for funds and that they were going to cut their own Budget allocations to housing and you know our coffers aren't inexhaustible and everyone knows that and so therefore we wanted an arrangement that would make sure that the States still put up their cash for housing and therefore a base grant from the Commonwealth together with additional sums on a matching basis which was estimated against the sort of historical performance of the States. In addition to that, the States have very large sums available through re-cycling of the funds through the housing - you know, the sales of older houses and the States can influence the extent to which those funds are available because they can influence the extent to which houses are sold in any one year.

Question: You are saying the States should be doing more in this direction?

Prime Minister; Without me saying that, at the time of the last Premier's Conference on the estimates given us by the States, the sums available for re-investment in housing, welfare housing, through the sale of houses, through re-cycling of the funds, is going to be significantly greater this year than last year and taken overall, the direct grants, the matching grants, the re-cycled funds, on the information available to the Commonwealth, Australia as a whole ought to be maintaining a program at least as large as last year and depending upon the rate of inflation, maybe a bit better than that.

Question: Finally, Prime Minister, there was a reference in Mr. Dunstan's outburst about your old school - do you object to that?

Prime Minister; I thought it was a good old school - there are a lot of old schools. I've been in politics a long while...

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Question: A Melbourne Grammar/doesn't make the sort of comments that Mr. Dunstan made?

Prime Minister: No, it's not a question of that. I think a Melbourne High School kid mightn't make those sorts of comments either and over the years there have been many personal attacks on myself of different kinds. I always try not to reply in that vein.