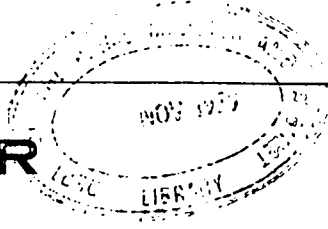




**PRIME MINISTER**



ELECTORATE RELEASE

12 JULY 1979

1979/80 WOOL FLOOR PRICE

The Prime Minister and Member for Wannon, Malcolm Fraser, has welcomed the increase of 7 percent in the 1979/80 wool floor price. "It will certainly give producers added confidence in the wool market for the next season", he said.

Mr. Fraser said the floor price of 318 cents/kg clean in terms of the market indicator in the 1979/80 season is the level recommended strongly to the Government by the Australian Wool Corporation and the Australian Wool Industry Conference.

"Woolgrower representatives recently discussed prospects for 1979/80 with overseas textile manufacturers and reported that demand for Australian wool was expected to be strong, with the wool market well able to support the increase recommended by the industry", he said.

He pointed out that developing Asian countries are expanding wool textile exports and are an increasingly important market for the Australian wool industry in addition to traditional markets in USSR, Europe and Japan.

"Wool producers can now plan ahead for 1979/80 with a good deal of confidence .

"Seasonal conditions are generally good, the floor price has been significantly increased and the Wool Corporation is in a very sound financial position, with a low stockpile and strong financial reserves.

"Also, the market for lamb, mutton and live sheep is strong, enabling sheep producers to continue the national trend of expanding flocks in the knowledge that there is a good market for both wool and sheep meats".

Mr. Fraser said the Government's commitment that the floor price scheme will be continued in 1980/81 at not less than 318 cents will assist long-term industry planning. "It is a further recognition of the fundamentally sound outlook for the industry", he said.