

FOR PRESS

COMMONWEALTH GOVERNMENT OFFER TO ASSIST IN  
FINANCING OF WOOL PROMOTION

Statement by the Prime Minister, the Rt. Hon. Sir Robert Menzies

The Prime Minister, Sir Robert Menzies, announced today that the Commonwealth Government had decided to assist the woolgrowing industry to finance an expanded wool promotion campaign. The Government's decision was taken after considering a request made by the Executive Committee of the Australian Wool Industry Conference.

Sir Robert said that the Government was willing to match £1 for £1 any additional funds which woolgrowers were prepared to contribute by way of levy for wool promotion. This meant that if woolgrowers agreed to increase their levy for promotion, which is at present 10/- a bale, the Commonwealth Government would contribute an amount equal to the additional funds contributed by woolgrowers as a result of an increase in the levy.

Sir Robert said that the Government's offer to match on a £1 for £1 basis any additional funds contributed by woolgrowers for wool promotion would apply for a period of three years. At the end of this period, the Government would review its assistance in the light of the circumstances at that time. The Australian Wool Board would be asked to report to the Government annually on the operation of the wool promotion programme.

Although the Executive Committee of the Wool Industry Conference had also suggested that the Commonwealth Government should assist in providing additional funds for wool research, the Government decided to defer the consideration of this request for the time being. In making this decision, the Government took account of the fact that substantial reserve funds are at present available for financing wool research.

However, it noted that these reserves were being depleted and would review the position after the Australian Wool Board had taken over the administration of wool research and had had the opportunity of examining future financial requirements. The Commonwealth Government is at present contributing the equivalent of 4/- a bale for wool research while woolgrowers contribute at the rate of 2/- a bale.

Sir Robert said that this major decision by the Government had been taken in the light of special circumstances applying to the wool industry, its competitive position with other fibres and its significance to the Australian economy.

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CANBERRA.

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