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EMBARGO: 5.30 PM MONDAY

SPEECH BY THE PRIME MINISTER,  
THE HON. E. G. WHITLAM, Q.C., M.P.,  
TO THE 43RD CONFERENCE OF THE  
INTERNATIONAL WOOL TEXTILE ORGANISATION,  
SOUTHERN CROSS HOTEL, MELBOURNE,  
MONDAY, 1 APRIL 1974

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I AM DELIGHTED THAT AUSTRALIA IS HOST FOR THE FIRST TIME TO A MEETING OF THE INTERNATIONAL WOOL TEXTILE ORGANISATION. IN AN INDUSTRY RENOWNED FOR ITS INTERNATIONAL LINKS AND ORGANISATIONS - INDEED I CAN THINK OF NO INDUSTRY THAT SURPASSES YOURS IN THIS RESPECT - THE I.W.T.O. IS THE LARGEST AND MOST IMPORTANT ORGANISATION OF WOOL TRADERS, PROCESSORS AND TEXTILE MANUFACTURERS IN THE WORLD. YOU REPRESENT 26 NATIONS IN EVERY HEMISPHERE, IN EVERY CONTINENT. IT IS APPROPRIATE THAT AUSTRALIA, AS THE WORLD'S LARGEST PRODUCER OF WOOL, SHOULD BE THE VENUE FOR YOUR CONFERENCE. YOUR ORGANISATION HAS BEEN IN EXISTENCE FOR NEARLY HALF A CENTURY, YET IT WAS ONLY IN THE LATE 1950'S THAT AUSTRALIA BECAME A FIRM MEMBER. SO WE HAVE NORMALIZED OUR RELATIONS WITH THE I.W.T.O. I AM GLAD WE HAVE; AND IF I MAY SAY SO, IT IS HIGH TIME YOU WERE HERE AS OUR GUESTS. ON BEHALF OF THE AUSTRALIAN GOVERNMENT I WELCOME YOU ALL MOST CORDIALLY.

THERE IS ANOTHER REASON WHY THIS CONFERENCE SHOULD BRING SPECIAL SATISFACTION TO THE WOOL INDUSTRY IN AUSTRALIA. NOTHING COULD SYMBOLIZE MORE VIVIDLY THE VITALITY AND RESILIENCE OF THIS GREAT INDUSTRY - IN ALL ITS PHASES, PRODUCTION, MANUFACTURING AND MARKETING. I HARDLY NEED REMIND YOU OF THE GLOOM AND FOREBODING IN THE AUSTRALIAN WOOL INDUSTRY ONLY TWO OR THREE YEARS AGO. MANY WOOLGROWERS WERE LEAVING THE LAND. MANY OF THE HISTORIC NAMES, PLACES AND COMPANIES IN THE INDUSTRY WERE IN JEOPARDY. DECLINING PRICES, COMBINED WITH THE EVER-PRESENT HAZARD OF DROUGHT, WERE TAKING THEIR TOLL. TODAY THE PROSPECTS ARE MUCH BRIGHTER; THE INDUSTRY HAS RECOVERED ITS TRADITIONAL CONFIDENCE. I BELIEVE YOUR CONFERENCE WILL REFLECT AND STIMULATE THE NEW MOOD OF BUOYANCY AND OPTIMISM IN THE INDUSTRY. IT WILL REMIND US THAT NATURAL WOOL REMAINS THE SUPREME FIBRE, AND WHATEVER THE PROBLEMS AND FLUCTUATIONS YOUR INDUSTRY MUST FACE, ITS UNDERLYING STRENGTH IS BEYOND QUESTION.

YOU ARE ALL AWARE OF THE SUPREME IMPORTANCE OF WOOL IN THE HISTORY AND ECONOMIC DEVELOPMENT OF THIS COUNTRY. DESPITE A GREATER DIVERSITY IN AUSTRALIA'S EXPORTS AND A GREATER DIVERSITY OF PRODUCTION WITHIN PRIMARY INDUSTRY ITSELF, WOOL STILL HOLDS ITS PLACE AS A COMMODITY OF ENORMOUS IMPORTANCE. ALTHOUGH SHEEP NUMBERS HAVE DECLINED MARKEDLY IN RECENT YEARS, AUSTRALIA PRODUCES ABOUT ONE-THIRD OF ALL THE WORLD'S WOOL AND ABOUT HALF OF THE SUPPLIES ENTERING WORLD TRADE. OUR OWN WOOL TEXTILE INDUSTRY IS OF CONSIDERABLE SIGNIFICANCE. THE WOOL YARN AND BROADWOVEN FABRIC INDUSTRY PRODUCES GOODS WORTH \$129 MILLION A YEAR AND EMPLOYS MORE THAN 12,000 PEOPLE. NEVERTHELESS, ABOUT 90% OF OUR WOOL IS EXPORTED. CLEARLY WE HAVE A VITAL INTEREST IN THE PROSPERITY OF THE WOOL TEXTILE INDUSTRY OVERSEAS. WOOL PRODUCERS AND WOOL USERS HAVE A COMMON INTEREST. THEY HAVE THE SAME ULTIMATE CONCERN FOR THE SUPREMACY OF THEIR BASIC RAW MATERIAL AND THE GROWTH OF WORLD MARKETS. I BELIEVE THIS CONFERENCE WILL GIVE ALL OF US - SUPPLIERS, PROCESSORS, MANUFACTURERS - AN OPPORTUNITY FOR DIRECT AND VALUABLE PERSONAL CONTACTS WHICH WILL BENEFIT THE INDUSTRY AS A WHOLE.

WHAT I FIND ENCOURAGING IN THE AIMS AND FUNCTIONS OF YOUR ORGANISATION IS THE EMPHASIS YOU GIVE TO ORDERLY MARKETING. YOU SEEK TO BRING A PLANNED AND RATIONAL APPROACH TO THE WORLD TRADE IN WOOL. YOU PROVIDE A COMMON MEETING POINT FOR COMMERCIAL WOOL INTERESTS AND ENCOURAGE UNIFORM COMMERCIAL PRACTICES IN THE WOOL TRADE. THE AUSTRALIAN GOVERNMENT SHARES THOSE AMBITIONS AND APPLAUDS THEM. WE RECOGNISE YOUR NATURAL INTEREST IN THE WAY RAW WOOL IS MARKETED HERE IN AUSTRALIA. FOR THAT REASON WE HAVE MADE USE OF MEETINGS OF YOUR ORGANISATION TO EXPLAIN THE GOVERNMENT'S WOOL RESERVE PRICE POLICY TO THE INTERNATIONAL WOOL TRADE. WE INTEND ALSO, AS YOU KNOW, TO ESTABLISH A NATIONAL AUSTRALIAN WOOL STANDARDS MONITORING UNIT; AND THE VALUE AND PURPOSE OF THAT UNIT HAS BEEN EXPLAINED AT SESSIONS OF YOUR ORGANISATION.

IT WILL HELP YOU IF I SAY SOMETHING MORE ABOUT OUR PLANS FOR WOOL MARKETING IN AUSTRALIA. FOR YEARS THE WOOL INDUSTRY HAS BEEN SUBJECT TO FLUCTUATING MARKETS AND UNCERTAIN PRICES. OUR PREDECESSORS REQUESTED THE AUSTRALIAN WOOL CORPORATION TO REPORT ON THE WOOL MARKETING SYSTEM. WE RECEIVED THEIR REPORT IN FEBRUARY AND IMMEDIATELY MADE IT PUBLIC. THE OPPORTUNITY NOW EXISTS FOR A FULL AND OPEN PUBLIC DISCUSSION OF THE REPORT BY ALL INTERESTED PARTIES. BRIEFLY, AS MANY OF YOU WILL KNOW, THE REPORT RECOMMENDED THAT THE WOOL CORPORATION ACQUIRE ALL EXPORT WOOL AND SELL IT IN THE WAY IT THINKS BEST - EITHER AT AUCTION OR UNDER CONTRACT; THAT THE CORPORATION HAVE POWER TO ALLOCATE AMOUNTS OF WOOL TO BE SOLD; AND THAT IT SHOULD STABILIZE THE PRICE OF WOOL BY ESTABLISHING A FLOOR PRICE OR EVEN A CEILING PRICE WHERE NECESSARY. THESE RECOMMENDATIONS ARE BROADLY CONSISTENT WITH THE POLICY OF THE AUSTRALIAN LABOR PARTY, WHICH STATES THAT THE WOOL CORPORATION "WILL BE EMPOWERED TO ACQUIRE AND/OR MARKET THE AUSTRALIAN WOOL CLIP."

THE CORPORATION'S REPORT IS NATURALLY A CONTROVERSIAL ONE. MANY PEOPLE HAVE CONGRATULATED THE CORPORATION ON THE WORK IT HAS DONE; OTHERS HAVE BEEN HIGHLY CRITICAL. IT WOULD NOT BE APPROPRIATE FOR ME TO DISCUSS THE DETAILS OF THE REPORT TODAY. IT IS CLEARLY RECOGNISED THAT ITS IMPLICATIONS ARE FAR REACHING AND IF IMPLEMENTED WOULD CHANGE SIGNIFICANTLY THE TRADITIONAL AUSTRALIAN WOOL MARKETING SYSTEM. THE RECOMMENDATIONS ARE BEING CLOSELY EXAMINED BY MY COLLEAGUE, THE MINISTER FOR PRIMARY INDUSTRY, SENATOR WRIEDT, AND INTERESTED PARTIES CONCERNED WITH WOOL MARKETING. SENATOR WRIEDT HAS MADE IT CLEAR THAT, JUST AS HE HAD NO INTENTION OF HURRYING THE CORPORATION INTO COMPLETING ITS REPORT, HE HAS NO INTENTION OF HURRYING A DECISION UPON IT UNTIL EVERYONE HAS STUDIED IT CAREFULLY.

SENATOR WRIEDT HAS ALREADY DISCUSSED THE REPORT WITH REPRESENTATIVES OF WOOLGROWERS, WOOLBUYERS AND WOOLBROKERS. HE WILL BE KEEN TO LEARN OF THE REACTION OF YOUR ORGANISATION AS AN INTERNATIONAL BODY REPRESENTING THE WOOL INDUSTRY. I EXPECT THE GOVERNMENT TO DECIDE ITS POLICY ON THE REPORT LATER THIS YEAR AFTER SENATOR WRIEDT BRINGS PROPOSALS BEFORE THE CABINET. WE HOPE THE NEW ARRANGEMENTS WILL OPERATE FROM THE MIDDLE OF NEXT YEAR. I AM SURE SENATOR WRIEDT'S SUBMISSIONS WILL TAKE ACCOUNT OF THE VIEWS OF ALL THOSE WHO HAVE DISCUSSIONS WITH HIM. I URGE YOU TO ENSURE THAT HE RECEIVES YOUR REACTIONS. AT THE SAME TIME, I HOPE THE DEBATE ON THE MOST APPROPRIATE WOOL MARKETING SYSTEM WILL NOT BE BASED ON THE SELF-INTEREST OF INDUSTRY GROUPS BUT WILL BE DIRECTED AT ENSURING THE FUTURE ECONOMIC STABILITY OF ALL CONCERNED, FROM WOOLGROWERS TO FINAL PROCESSORS.

THERE IS ANOTHER WAY IN WHICH THE GOVERNMENT CAN ASSIST THE LONG-TERM WELFARE OF THIS GREAT INDUSTRY, THAT IS BY ENCOURAGING WOOL RESEARCH AND PROMOTION. MY GOVERNMENT HAS ANNOUNCED A THREE-YEAR SCHEME FOR THIS PURPOSE BEGINNING IN 1974-75. WE WILL CONTRIBUTE \$61,400,000 OVER THE THREE YEARS. I AM GLAD TO SAY THAT LEGISLATION FOR THIS PROGRAM WAS INTRODUCED IN THE PARLIAMENT LAST MONTH. BROADLY OUR PURPOSE IS THAT THE GOVERNMENT SHOULD ASSUME GREATER FINANCIAL RESPONSIBILITY FOR RESEARCH, WHICH BENEFITS THE NATION AS A WHOLE; AND <sup>THAT</sup> ~~THE~~ GROWERS' FUNDS, COLLECTED THROUGH THE WOOL TAX, WILL BE DIRECTED MORE TOWARDS PROMOTION. THE BUDGETS FOR PROGRAMS OF RESEARCH AND PROMOTION FOR EACH OF THE 3 YEARS COMMENCING IN 1974-75 HAVE BEEN DEVELOPED IN CONSULTATION WITH THE AUSTRALIAN WOOL CORPORATION AND, THROUGH THE CORPORATION, WITH THE INTERNATIONAL WOOL SECRETARIAT, WITH THE COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION, AND WITH THE BUREAU OF AGRICULTURAL ECONOMICS.



WE BELIEVE THAT WHILE RURAL PRODUCERS BENEFIT DIRECTLY FROM MANY OF THE RESULTS OF RURAL RESEARCH, THE AUSTRALIAN COMMUNITY IN GENERAL ALSO BENEFITS IN MANY WAYS. BENEFITS ACCRUE, FOR EXAMPLE, THROUGH MORE ASSURED FOOD AND FIBRE SUPPLIES AS A RESULT OF PRODUCTIVITY INCREASES IN THE RURAL SECTOR. FURTHER, RESEARCH PROGRAMS IN AGRICULTURAL AND BIOLOGICAL SCIENCES OFTEN HAVE BROAD IMPLICATIONS FOR THE QUALITY OF THE ENVIRONMENT GENERALLY, AND FOR THE MAINTENANCE OF THE PRODUCTIVE CAPACITY OF RENEWABLE RESOURCES.

RECOGNISING THAT THE BENEFITS OF RESEARCH ARE SO WIDELY DISTRIBUTED, THE GOVERNMENT HAS DECIDED THAT IT WOULD BE APPROPRIATE FOR A GREATER SHARE OF THE COST TO BE BORNE BY A CONTRIBUTION FROM PUBLIC FUNDS THAN HAS BEEN THE CASE IN THE PAST. IN OTHER WORDS, THE GOVERNMENT HAS DECIDED TO INCREASE ITS SHARE OF THE COST OF THE RESEARCH PROGRAMS FINANCED FROM THE WOOL RESEARCH TRUST FUND. ACCORDINGLY, THE GOVERNMENT WILL CONTRIBUTE THREE QUARTERS OF THE COST OF APPROVED PROGRAMS OF WOOL RESEARCH, TO BE FINANCED THROUGH THE WOOL RESEARCH TRUST FUND, DURING THE SECOND AND THIRD YEARS OF THE FORTHCOMING TRIENNIUM. WOOL PRODUCERS WILL BE ASKED TO FINANCE THE REMAINING ONE QUARTER. IN ORDER THAT THERE IS ADEQUATE WARNING OF THESE CHANGED ARRANGEMENTS, THE PRESENT COST SHARING ARRANGEMENT WILL BE CONTINUED FOR 1974-75.

WITH REGARD TO WOOL PROMOTION, THE GOVERNMENT HAS CAREFULLY STUDIED THE PROMOTION ACTIVITIES OF THE INTERNATIONAL WOOL SECRETARIAT AND THE AUSTRALIAN WOOL CORPORATION. IT IS AGREED THAT THERE ARE STRONG ECONOMIC ARGUMENTS IN FAVOUR OF WOOL PROMOTION EXPENDITURE AND THE BENEFITS OF PROMOTION ~~DO~~ SPREAD TO GROUPS OTHER THAN WOOL GROWERS. IN ADDITION, THE GOVERNMENT RECOGNISES THE NEED FOR CONTINUAL DEVELOPMENT AND IMPROVEMENT OF THE TECHNICAL PROCESSING PROPERTIES OF WOOL AS A FIBRE AND THE PROMOTION OF THESE ADVANTAGES AT ALL STAGES IN THE MARKETING CHAIN. IN THIS WAY THE DEMAND FOR WOOL IS INFLUENCED, BOTH ABSOLUTELY AND IN RELATION TO COMPETING FIBRES.

WE BELIEVE, HOWEVER, THAT THE BENEFITS FROM PROMOTION ACCRUE MORE DIRECTLY TO PRODUCERS THAN TO OTHER MEMBERS OF THE COMMUNITY, AND ACCORDINGLY WOOL GROWERS THEMSELVES SHOULD MAKE THE MAJOR FINANCIAL COMMITMENT TO PROMOTION EXPENDITURE. ON THIS BASIS THE GOVERNMENT HAS DECIDED TO FINANCE ONE QUARTER OF THE PROJECTED WOOL PROMOTION BUDGETS, LEAVING TO WOOL GROWERS THE RESPONSIBILITY OF FINANCING THE BALANCE. AGAIN, IN ORDER TO ENSURE ADEQUATE ADVANCE NOTICE OF THE CHANGED ARRANGEMENTS FOR FINANCING THE PROMOTION PROGRAMS, THE GOVERNMENT HAS AGREED TO DEFER IMPLEMENTATION OF THE NEW FUNDING BASIS UNTIL 1975-76. ACCORDINGLY, FOR 1974-75 THE GOVERNMENT WILL CONTINUE TO CONTRIBUTE ON AN EQUAL BASIS WITH WOOL GROWERS TOWARDS THE COST OF BOTH RESEARCH AND PROMOTION.

AUSTRALIA IS FULLY COMMITTED TO THE GROWTH AND PROSPERITY OF THE WOOL INDUSTRY. WE WANT TO REMAIN A DEPENDABLE SUPPLIER OF WOOL TO THE MARKETS OF THE WORLD. WE WANT FAIR PRICES FOR OUR WOOL AND A STABLE SYSTEM OF MARKETING. THIS INDEED IS OUR POLICY FOR THE SUPPLY OF ALL BASIC RAW MATERIALS TO OUR CUSTOMERS OVERSEAS. WE BELIEVE THAT THE AUSTRALIAN WOOL INDUSTRY WILL PROSPER BEST IN THE CONTEXT OF STRONG RURAL INDUSTRIES GENERALLY. ALL OUR POLICIES HAVE BEEN DIRECTED TO THAT PURPOSE. OUR CURRENCY REVALUATIONS AND TARIFF POLICIES HAVE, I BELIEVE, HELPED TO RESTRAIN INCREASES IN THE COST OF FARM EQUIPMENT. OUR INDUSTRIES ASSISTANCE COMMISSION HAS BEEN SET UP TO EXAMINE CLAIMS FOR ASSISTANCE FROM ALL INDUSTRIES - PRIMARY AND SECONDARY. WE WANT RURAL INDUSTRIES THAT CAN STAND ON THEIR OWN FEET, THAT ARE STRONG AND ADAPTABLE, THAT ARE BUSINESSLIKE AND EFFICIENT, THAT CAN MEET THE CHALLENGE OF UNCERTAIN MARKETS AND FLUCTUATING PRICES WITHOUT RELYING EXCESSIVELY ON GOVERNMENT HANDOUTS AND TAXPAYERS' SUBSIDIES. ONLY IN THIS WAY CAN WE CREATE GENUINELY STRONG AND EFFICIENT RURAL INDUSTRIES.

PERHAPS I CAN SUM UP MY GOVERNMENT'S BROAD INTENTIONS BY QUOTING A STATEMENT BY THE AUSTRALIAN WOOLGROWERS' AND GRAZIERS' COUNCIL. THE COUNCIL HAS SAID THIS: "THE MOST IMPORTANT LONG-TERM STEP THE GOVERNMENT CAN TAKE IS TO IMPROVE THE EFFICIENCY OF NATIONAL RESOURCE ALLOCATION BY ENCOURAGING THE EXPANSION OF LESS PROTECTED INDUSTRIES IN THE ECONOMY (WHETHER PRIMARY OR SECONDARY) AND DISCOURAGING THE GROWTH OF THOSE INDUSTRIES WHICH CAN ONLY PRODUCE WITH THE HELP OF MASSIVE LEVELS OF ASSISTANCE EITHER SUBSIDY OR TARIFF. THIS WILL INCREASE THE LEVEL OF REAL ECONOMIC GROWTH FOR THE BETTERMENT OF THE WHOLE COMMUNITY." I SUGGEST THAT THE GOVERNMENT IS DOING JUST WHAT THE WOOLGROWERS' AND GRAZIERS' COUNCIL SUGGESTED. I BELIEVE OUR POLICIES WILL BENEFIT THE GREAT RURAL INDUSTRIES OF THIS COUNTRY AND THE AUSTRALIAN PEOPLE AS A WHOLE.

WE HAVE GREAT FAITH IN THE FUTURE OF THE WOOL INDUSTRY. WE ARE DELIGHTED THAT SO MANY OF ITS LEADING MEMBERS - AUSTRALIA'S GREATEST CUSTOMERS - ARE WITH US THIS WEEK. GOVERNMENTS AND ECONOMISTS ALONE CANNOT SOLVE THE PROBLEMS OF AN INDUSTRY OR UNDERSTAND THEM AS WELL AS THE MEN AND WOMEN DIRECTLY INVOLVED. THERE IS NO SUBSTITUTE FOR PERSONAL CONTACTS BETWEEN INDIVIDUALS IN REACHING UNDERSTANDINGS AND CREATING THE CONDITIONS FOR GENUINE AND LASTING PROGRESS. I WISH YOU EVERY SUCCESS IN YOUR IMPORTANT DISCUSSIONS AND HAVE GREAT PLEASURE IN DECLARING OPEN THE 43RD INTERNATIONAL CONFERENCE OF THE INTERNATIONAL WOOL TEXTILE ORGANISATION.

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