

compared with prices of wool prevailing in preceding years, but growers were running into high costs and were especially handicapped by the shortage of skilled help.

The Government purchase price in 1943 was 41.7 cents per pound, or 141 percent of parity. It remained at approximately the same level through 1949. However, the prices of most other farm products rose rapidly from 1945 on, so that the price of wool, though relatively favorable at the outset, became less and less favorable. By 1949, meat animals were 183 percent above their 1939 level, and farm products as a whole were up 160 percent; wool prices, however, had increased only 120 percent.

High costs, labor shortages, and relatively low prices made for reduced production of shorn wool from 1942 on.¹² In that year, 388 million pounds were produced. By 1949, output was down to 213 million pounds. Although wool did not share in the rapid price advance of those years, lambs, another product of the same flocks, rose practically in the same proportion as other meat products.¹³

Commodity Credit Corporation stocks of wool had increased toward the end of the war, as mills turned to the production of civilian goods and the use of domestic wool dropped off sharply, because the CCC selling price was higher than the prices of comparable imported wools.¹⁴ In November 1945, the CCC announced that it would sell domestic wools at the price of duty-paid foreign wools. But since most mills preferred the better prepared foreign wools to those grown in the United States, if the former could be obtained at a comparable price, the CCC concession had little effect. The price was further reduced in February 1946. CCC sales of domestic fine-combing territory wool for the first half of 1946 were about 19 cents—clean basis—below the purchase price. The loss was absorbed by the CCC. Only then did domestic wools begin to move more freely, and the market for them improved.

From 1947 on, the world wool market also continued strong with generally rising prices, and consumption was running substantially above production. When the greatly increased demand after the outbreak of the Korean war in 1950 was superimposed on a market without any large carryovers, wool prices to farmers rose nearly 100 percent between June 1950 and June 1951. The rise, however, was largely speculative. U.S. mill consumption rose about 30 percent in 1950, but fell back to near the 1949 level by 1952.

The wartime wool program expired on April 14, 1947. It was resumed on August 14, 1947, through an act which directed the CCC to support the price of wool until December 1948 at the same rate as in 1946.¹⁵ The most important feature of this act was an authorization for CCC to sell its stock on a competitive basis with foreign wools.¹⁶ This plus the active demand of the postwar period led to a

¹² Shorn wool production has tended to vary with numbers of sheep on farms and ranches, whereas pulled wool production has varied with changes in the slaughter of sheep and lambs. Since about fourth-fifths of domestic wool is produced as shorn wool, total wool production has varied with numbers of sheep.

¹³ The income from wool is estimated to be only about 40 percent of the total income from sheep, lambs, and wool. The percentage varies from region to region: In the Middle West, more of the total comes from meat, whereas in the specialized wool-producing areas of the Plains and Mountain States, more comes from wool.

¹⁴ The CCC held 327 million pounds grease raw wool on July 1, 1945. By July 1, 1946, holdings had increased to 499 million pounds, or more than the equivalent of an entire year's domestic wool production.

¹⁵ Public Law 360, Aug. 5, 1947.

¹⁶ CCC holdings of both domestic and foreign wools had reached a peak of 540 million pounds (grease basis) in October 1946. Benedict and Staine, *op. cit.*, p. 347.