was administered under the Agricultural Adjustment Act of 1949, the controlling legislation in force at the time.[31]

The President did not approve the proposed increase, but indicated that on the basis of a study prepared by the Secretary of Agriculture[32] he had determined that domestic woolgrowers required continued price or income assistance in a more effective form than that provided under the 1949 act, without added limitations to the imports of wool. For this reason the administration accepted the principal recommendations made by the Secretary of Agriculture with respect to such a program, and submitted them to Congress.[33]

THE NATIONAL WOOL ACTS OF 1954 AND 1958[34]

According to section 702 of the 1954 act—

> * * * wool is an essential and strategic commodity which is not produced in quantities and grades in the United States to meet the domestic needs * * * the desired domestic production of wool is impaired by the depressing effects of wide fluctuations in the price of wool in the world markets.
>
> It is hereby declared to be the policy of Congress * * * to encourage the annual domestic production of approximately 300 million pounds of shorn wool, grease basis, at prices fair to both producers and consumers in a manner which will have the least adverse effects upon foreign trade.

Support for wool is provided by forward pricing rather than by price supports in the traditional manner. Whereas the fixed percentage of parity support price looks to past price relationships without immediate regard to the resulting output, forward or incentive prices seek to guide production in desired directions. Thus they may imply differential downward adjustments in price supports as well as differential upward revisions. Support for wool provided by incentive pricing may not exceed 110 percent of parity. If the support price is put at 90 percent of parity or below, it must be at such a level as to encourage production of 300 million pounds of shorn wool.[35] Between 60 and 90 percent of parity, the Commodity Credit Corporation is entitled to use any method of support (loans, purchase, payments, etc.) it deems advisable for carrying the intention of the act, but above 90 percent of parity, no support other than through payments may be provided. The total amount of such payments may not exceed 70 percent of the accumulated totals of specific duties on wool and wool products collected after January 1, 1953, under schedule 11

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[31] The minority (Commissioners Ryder and Edminister) felt that the Commission had not been able to show that increased imports of wool had led to, or were threatening to create losses for the Commodity Credit Corporation in operations with respect to the domestic wool crop great enough to be regarded as excessive from the standpoint of overall administration of the price support program, and therefore as interfering with the program or rendering it worthless. See "Wool—Wool Tops," etc., pp. 64 et seq.

[32] "The Wool Study Group Report."

[33] Most of these recommendations were included in the National Wool Act of 1954, see below.

[34] Act of Aug. 28, 1954, ch. 1041, title VII, secs. 701–708, 68 Stat. 910. The act was extended by the National Wool Act of 1958 (act of Aug. 28, 1958, Public Law 85–835, title IV, secs. 401–403, 72 Stat. 994). The major difference between the two acts is that whereas under the 1954 act payments were being made from a fund established from customs revenues on raw wool imports only, the 1958 act set-aside provisions included custom revenues from all wool imports, including woolens. The 1958 act expires in 1962.

[35] Pulled wool and mohair are to be supported at such levels as will maintain "normal trading practices."