of the Tariff Act of 1930, as amended. Payments may be made through the marketing agencies to whom, or through whom, the grower sells his wool.[36]

Wool prices are now allowed to find their own level in a free market, except for the price-supporting effect of the tariff. Supplementary payments on the wool sold in a given year are made in the summer of the year following. At that time a determination is made of the average price received by growers, and of the percentage by which this must be increased to yield an average national return equivalent to the announced support price, such as, for example, 62 cents per pound for the 1955 clip.[37] Each grower, either directly or through his marketing agency, must file a claim supported by appropriate documents at his local county agricultural stabilization and conservation office, giving date of sale, net price received, and other pertinent information. The national average percentage, by which the announced support price exceeds the average return to growers by way of the market is applied to each grower's net sales proceeds to determine the amount of supplementary payments due him.[38] Similar arrangements are provided for making supplementary payments on pulled wool.

While this program avoids accumulation of stocks in CCC warehouses, it involves more detailed and more extensive administrative arrangements in the field. Each and every grower account must now be handled separately, whereas, under the plan in effect from 1950 to 1954, only those growers who obtained loans, had to be dealt with individually. Under the CCC purchase plan used during the 1940's, even that amount of direct contact with the individual grower could be dispensed with.[39]

Woolgrowers thus sell their products at the market price, and then have their income brought up to an agreed level by a subsidy from the Government. For the 1955 wool year which ended in March 1956 the Secretary of Agriculture fixed 62 cents a pound as the average price to which growers were entitled for raw grease wool. The average price woolgrowers actually received in the market was 42.8 cents a pound. Therefore the average subsidy to which growers were entitled was 19.2 cents a pound. But the Department of Agriculture, instead of simply paying this amount to growers for each pound of wool they had marketed during the year, calculates the subsidy on a percentage basis: 19.2 cents being 44.9 percent of 42.8 cents (the actual average market price), the Department made payments on the basis of 44.9 percent of each growers actual market receipts for his wool.

The effect of this method of calculation and payment is to give greater reward to the man who originally received a higher price for

[36] The 70-percent limitation, it may be noted in passing, may prove to be the source of some complication, should the tariff on wool be lowered. However, removal of wool duties would logically require the elimination of the compensating element for raw wool in the duty on woolens and worsted fabrics. Otherwise, free raw wool would give the manufacturers substantially increased protection. See Bidwell, op. cit., p. 144.

[37] This was 106 percent of parity as of Sept. 15, 1954. It was 8.8 cents per pound or 16.5 percent above the national average loan rate for 1954, and 15 percent above the national average received by growers in 1954. The support levels for 1950 through 1954 had been at 90 percent of parity.

[38] The plan is somewhat similar to the one used in making payments to domestic sugar producers. But whereas the sugar program looks specifically to the stabilization of prices and production, and includes import quota provisions, the wool program, following the precedent established in the 1949 act, aims to encourage U.S. growers to produce more wool. Also, the wool program is tied to customs collected on wool and its products, whereas the sugar program includes a domestic excise tax. See Benedict and Stine, op. cit., pp. 291–328 for a description of the sugar program.

[39] Benedict and Stine, op. cit., p. 354.