For zinc, in the 4 years ended 1953, domestic production met only 44 percent of the total supply, imports 34 percent, and secondary recovery 22 percent. Discounting stock accumulation and exports, U.S. imports requirements in the period 1940–53 averaged about 238,000 tons annually to meet industrial needs. This compares with actual imports (metal equivalent) of about 388,000 tons a year during that period, or on the average 150,000 tons over consumption. During 1950–53, imports of recoverable metal totaled 1,180,000 tons, or 444,000 tons over the quantity needed to balance supply and requirements excluding exports. According to the Bureau of Mines, however, imports of about 230,000 tons a year would have been ample to fulfill domestic needs which could not have been met from domestic sources.[26]

THE ESCAPE CLAUSE INVESTIGATIONS

Even though the United States has greatly expanded its overall requirements for lead and zinc, it has not been able to keep up with the high production of foreign suppliers. This situation has caused a general and sustained fall in prices for the two metals. In the domestic industry, although prices declined, costs (wage rates and prices of machinery and supplies) did not decline. Imports in the meantime stayed high. With ample supplies of metals available, domestic mine production decreased, mines were closed, and employment declined. In July 1953, the Senate Finance Committee and the House Ways and Means Committee directed the Tariff Commission to make a thorough study of all factors of the domestic lead and zinc situation.[27] In September 1953 the Tariff Commission instituted an escape clause investigation under section 7 of the Trade Agreements Extension Act of 1951.[28] The report of the industry investigation was factual and contained no recommendation. It showed that the existing tariff structure restricted imports of lead and zinc but slightly, and that during the preceding decade a substantial part of all imports was exempt from duty, and that rates of duty in effect were only having a slight effect upon the competitive position of the industry.[29]

Commissioners Edminster and Ryder, however, felt compelled to make more comprehensive statements with regard to policy decisions (ibid., pp. 91 and 95). Edminster pointed out that increased duties would not help the domestic industries. In the first place, the domestic price structure of the metals was tied to world prices. Imposition of import restrictions, diverting from the U.S. market the considerable and increasing portions of exportable surpluses of foreign countries of these metals would tend to depress their world prices. This in turn would tend to limit the effectiveness of the import restrictions in raising domestic metal prices. Edminster also mentioned the possibility of market conditions offering strong incentives for use of substitutes for both metals when prices were relatively high, and the fact that under such conditions there was added incentive to reclaim secondary lead and zinc. Both tendencies

[26] Bishop and Mentch, "Zinc," loc. cit., p. 1000.
[27] See U.S. Tariff Commission, "Lead and Zinc Industries" (1954).
[28] See U.S. Tariff Commission, "Lead and Zinc" (1954). [Escape clause investigation No. 27.] Another investigation was completed in 1958. (See below.)
[29] "Lead and Zinc Industries" (1954), p. 89.