would offset any protective effect an increase in import restrictions would have. Edminster finally mentioned the fact that additional restrictions on imports would tend to encourage the expansion of domestic operations and the working of ores the exploitation of which would not otherwise be economically feasible. This would contribute to bringing about a situation where new marginal mines would have difficulties in maintaining operations even at the higher prices resulting from the increased restrictions.

Commissioner Ryder set forth the general outlines of a policy dealing with import competition in extractive industries which should attempt to reconcile, as far as possible, the divergent interests of producers and consumers, and to integrate these private interests with the overriding national interest. Action on the one hand would be directed toward maintaining substantial lead- and zinc-mining industries in the United States, and affording them such assistance (in the form of import restriction or subsidization) as may be required to maintain production at levels generally prevailing in post-World War II years. On the other hand, action would also be directed to the maintenance of adequate imports of lead and zinc, and any stringent restriction of imports would be avoided. Such a program would not tend to increase prices to such a degree as materially to discourage domestic lead and zinc production. Existing industries and the communities dependent on them would be protected to the extent necessary to prevent serious injury which might occur if domestic producers were required to submit to the impact of unrestricted imports without any form of governmental assistance. At the same time, Government policy would not give rise to a rapid expansion of lead and zinc mining irrespective of costs. And while such a program would enable the United States to maintain its lead and zinc industries, it would permit the United States to maintain good relations with other lead- and zinc-mining countries, especially Canada and Mexico, and encourage the maintenance of well-developed lead and zinc industries in those countries. This would be especially important since in the event of a serious national emergency this country would be largely dependent upon them to supply its increased requirements for lead and zinc.[30]

The report on the first escape clause investigation (in 1954) recommended that import duties on most lead and zinc materials be increased 50 percent.[31] The administration, however, did not accept the Commission's recommendation, and instead instituted an expanded stockpiling program with a view to assisting the domestic lead and zinc industry.[32]

Beginning August 1954, Government purchases of newly mined domestic lead and zinc for the strategic stockpile were greatly accelerated in relation to the rate of acquisition of these metals in immediately preceding years. Prices of the metals increased, lead from 14 to 16.5 cents by January 1956, and zinc from 11 to 13.5 cents.[33]

[30] Ibid., p. 97.

[31] Tariff duties in effect in early 1958 were about 60 percent lower for zinc and 50 percent lower for lead than the statutory rates in the Tariff Act of 1930. The decrease in ad valorem equivalents of current rates of duty compared with ad valorem equivalents of prewar years is considerably larger than the reduction in specific duties because prices of the two metals have increased considerably.

[32] See appendix 2 of this chapter for a discussion of stockpiling.

[33] See U.S. Tariff Commission, "Lead and Zinc" (1958), Escape Clause Investigation No. 65, pp. 34–35.