Beginning June 1956, lead and zinc of foreign origin was purchased by the Government in exchange for perishable surplus agricultural commodities under the so-called "barter program." [34] This program was in operation until June 1957, when it was suspended.

In 1957, consumption in the United States of both lead and zinc was somewhat lower because the decline of business activity, and mine production likewise was somewhat lower. But imports of lead were 575,000 tons—18 percent higher than in 1956. Supplies exceeded consumption and export by a wide margin, which was not absorbed by Government purchases. Zinc imports (951,000 tons) rose even higher, 30 percent above the 1956 level of imports, which was higher than imports in any previous year. Even excluding imports under the barter program, total zinc imports amounted to 757,000 tons in 1957. Government purchases also were insufficient to absorb excess supplies.

Market prices for both metals declined sharply. As of April 1958, lead was at 12 cents, and zinc had dropped to 10 cents. These prices were 2 cents and one-fourth cent respectively below the prices that prevailed in May 1954 when the Tariff Commission sent its first escape clause report to the President.

The second escape clause investigation was begun in October 1957, on application by the Emergency Lead-Zinc Committee, representing domestic lead and zinc mining interests. The investigation resulted in a unanimous finding of serious injury. However, the Commission split on recommended remedial action. Whereas three Commissioners recommended reimposition of the rates originally imposed by the Tariff Act of 1930, the maximum rates permissible through escape-clause action, the other three recommended such duties to be supplemented by absolute import quotas.[35]

According to the Tariff Commission, the biggest factors in the decline of market prices were overexpanded world production, withdrawal of U.S. Government support through the barter program, and a moderate decline in consumption.[36] There was a worldwide excess of supplies, Government stockpiling purchases were coming to an end, as stockpile goals were being reached, and industrial consumption was shrinking because of generally reduced industrial activity.

Mining and milling companies, especially those without their own smelting facilities, bear the brunt of the impact of market price cuts, in the face of increased costs of labor, supplies and materials, mining equipment, freight rates, and other expense.[37] As a result, mine output for many areas in the United States was substantially lower in 1957 than in 1954. Employment was cut correspondingly, and mines were closed down. Closures were not limited to the small- and medium-size mines; operations were also completely suspended at 5 of the 34 largest lead and zinc mines in 1956.[38] The Commission, as indicated, unanimously concluded that the domestic lead and zinc

[34] Under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.) and related legislation.

[35] Reimposition of 1930 act rates would have meant an increase of current rates of duty by 140 percent for unmanufactured lead and 200 percent for unmanufactured zinc. See "Lead and Zinc" (1958), statistical appendix, table 3.

[36] "Lead and Zinc" (1958), p. 41.

[37] Ibid., pp. 45–47.

[38] Ibid., p. 53.