Second, to oppose the enactment of legislation that fails to recognize that reasonable import controls are necessary in the case of lead and zinc, and to reject proposals that carry the implication that no harm to the national interest will result from erosion and eventual disappearance of an industry dedicated to development of the nation's natural resources.

THE NEED FOR RESTRAINT OF IMPORTS

The United States is the world's largest single consuming market for lead and zinc. However, as far as U.S. producers are concerned, it is a one-way market, not only because the U.S. under any circumstance must be a substantial importer of lead and zinc, but also because mounting costs of production in the U.S. rule out any possibility of competitive exports. Foreign producers have access to and ability to sell in almost any consuming market in the free world, including the prime consuming U.S. market. U.S. producers are confined to the U.S. market.

The U.S. smelters of lead and zinc need to import substantial quantities of lead and zinc ores to meet their requirements beyond those available from mining in the United States. There is also room in the U.S. market for some quantity of imported lead and zinc metal. In the case of lead, required imports will run 30 to 35 percent of new lead required by U.S. consumption. In the case of zinc, required imports will run 45 to 50 percent of U.S. consumption.

Under any conditions, this is very substantial participation in our markets by foreign producers. The U.S. industry does not seek to reduce this degree of participation. It seeks only to limit it to about that level.

Foreign producers, however, sometimes want more, and, without restraints, invade the U.S. market at will by cutting prices. When the invasion is in excess of the already substantial needs, it forces prices below viable levels for U.S. producers, who are compelled to close down mines while foreign producers continue operations.

An invasion of this order occurred during the middle 1950's. Imports steadily increased, reaching an astounding and completely unjustified and intolerable 84 percent of U.S. consumption of both zinc and lead in the year 1958. The consequences to U.S. industry were grave. Prices declined, many U.S. mines were abandoned or idled, producers were compelled to build up unmanageable stocks triple those of normal working requirements, exploration and development programs were stopped or severely curtailed, and foreign producers were very much in control of the market.

During this period, the U.S. industry forecast the dire results of failure to take action that would stem the tide and preserve stability in the U.S. industry, and tried to prevail on the Government to take such action, but without success, until a near-calamitous situation had been reached and the damage had been done. Then, and only then, did the Government respond by the proclamation of quotas, which became effective October 1, 1958.

The quotas were fixed at approximately the level of our normal import needs, 520,960 tons of zinc, and 354,720 tons of lead annually. They were effective, but due to the conditions that prevailed when