

duty reduction of 50% on lead imports be canceled and the statutory rates of 1930 be reestablished. This application coincided with the cancellation of a Mexican Trade Treaty, containing the escape clause provision. Following abrogation of the Treaty, 1930 duty rates on lead were restored. Five months later, June 1951, tariffs on both lead and zinc were reduced 50% and 60%, respectively, at the Torquay trade negotiations and have remained at these levels.

The Korean War changed the economic situation but only for a short period. As market prices dropped following Korea, the lead-zinc industry filed its first escape clause action under provisions of Section 7 of the Trade Agreements Extension Act of 1951 on September 14, 1953. Hearings were held during November of 1953. On May 21, 1954, the Commission made a *unanimous* finding (Escape Clause Investigation No. 27) that serious injury was resulting from excessive imports and five Commissioners recommended maximum permissible increase in duties (Pig Lead—2.55¢ per pound; Slab Zinc—2.10¢ per pound). Concurrent with this 1953–1954 “escape clause” action, by resolution of the Senate Finance Committee (July 27, 1953) and the House Ways and Means Committee (July 29, 1953), the Commission also conducted a “general investigation” in accordance with the provisions of Section 332 of the Tariff Act of 1930. This was transmitted to the Committees concerned on April 19, 1954 and is a 256 page volume with a detailed analysis of the economic conditions and pertinent statistics concerning the lead-zinc industry of the United States.

On August 20, 1954 President Eisenhower advised the Committee on Ways and Means and the Committee on Finance that he would not implement the unanimous recommendations of the Tariff Commission in their May 1954 report. The President cited as one of the reasons for not implementing the Commission’s findings, that the maximum permissible increase in duty was insufficient to “reopen closed mines” and would have only a minor effect on U.S. prices. In lieu of accepting the Commission’s recommendations the President instituted increased defense stockpile purchases of these two metals and subsequently initiated barter. The President further stated that he was directing the Secretary of State to seek recognition by foreign countries, who were principal importers, that they would not take any “unfair advantage” of his alternative programs. However, the record now shows that imports for consumption did not decline and, in fact, increased following the President’s letter :

	<i>Short tons</i>
1950–54 average yearly imports of lead ore and metal.....	455, 916
1958 total of lead ore and metal imports.....	589, 800
1950–54 average yearly imports of zinc ore and metal.....	530, 548
1958 total of zinc ore and metal imports.....	723, 392

In a series of regulations issued May 28, 1957, the Department of Agriculture essentially stopped all bartering in lead and zinc, which was the major alternate stabilization program instituted by the President. The Office of Defense Mobilization announced that April 1958 was the last month it would purchase zinc, and lead buying was scheduled to be stopped at the end of June of 1958. Prices for both metals decreased 3¢ per pound in 1957.

The President had stated that if stockpile action in lieu of accepting the Tariff Commission’s proposal did not accomplish the objectives he sought, he would be prepared “to consider even more far-reaching measures.” In June 1957 the Executive Department proposed legislation for suspension of duties and substitution of excise taxes whenever the market for the two metals was below “peril point” levels (lead—17¢ per pound; zinc—14.5¢ per pound). Following a hearing on this legislation in the House of Representatives, the President was advised by the Chairman of the Ways and Means Committee that Congressional action was not appropriate since the President had authority to act under provisions of the escape clause and National Security amendment. The President then indicated that: “It is my understanding the industry will file an escape clause action if the Congress does not pass the requested legislation.”

On September 27, 1957 the industry filed a second escape clause petition with the Tariff Commission requesting increased duties and import quotas. On April 24, 1958 the Tariff Commission again *unanimously* found (Escape Clause Investigation No. 65) that the domestic lead-zinc industry was suffering serious import injury. Three Commissioners recommended the maximum increase in duty (50% above the 1945 rates: Pig Lead—2.55¢ per pound; Slab Zinc 2.10¢ per pound) and also recommended the imposition of absolute quotas, based on 50% of imports during the period 1953–1957. The other three Commissioners recommended a return to the 1930 duty rates (Pig Lead—2.125¢ per pound; Slab Zinc—