[Release From James C. Hagerty, Press Secretary to the President, Sept. 22, 1958]

U.S. Naval Base

Newport, R.I.

The President today agreed with the unanimous finding of the United States Tariff Commission that escape clause relief is warranted in the case of lead and zinc. To provide an appropriate and immediate remedy, the President issued a Proclamation limiting imports by an annual quota equivalent in amount to eighty percent of average annual commercial imports during the five-year period, 1953–57. The quota is allocated among exporting countries and subdivided by calendar quarters and by tariff schedule classifications.

In identical letters to the chairman of the Senate Finance and House Ways and Means Committees, the President recognized that the imposition of quotas is an unusual step, but it is better suited than a tariff increase to the unique circumstances of the case and more likely to lead to enduring solutions beneficial to the entire lead and zinc industry. He agreed with the Tariff Commission with respect to the distressed condition of domestic producers and pointed out that the proclaimed import limitation, which represented an equitable approach to a world-wide problem, should be of real benefit to the lead and zinc industry. As our economy moves upward, he pointed out, that benefit should increase.

The President's letter also emphasized the importance to friendly countries of their exports to us, the world-wide nature of the present condition of lead and zinc overproduction, and the need for sharing the burdens of this problem. The United States has been discussing this problem with other countries and the President is hopeful that mutually acceptable solutions can be found.

Meanwhile, today's Proclamation provides immediate relief for this problem which the President has several times set before the Congress. In 1957 the Administration presented a long-range minerals program, but it was not enacted. During the past legislative session, the Administration proposed a Domestic Minerals Stabilization Plan which would have assisted not only the lead and zinc industry, but also domestic producers of copper, acid-grade fluorspar, and tungsten. In suspending action on the Tariff Commission report last June, the President stressed the problems and urgent needs of domestic minerals producers. Today's letter noted that the Congress did not enact that plan for promoting a healthy and vigorous mining industry.

The Proclamation of today was issued pursuant to Section 7 of the Trade Agreements Extension Act of 1951, as amended. That provision authorizes import restrictions to remedy serious injury or the threat of serious injury as determined by the United States Tariff Commission. The Commission reported its unanimous finding of injury on April 24, 1958. The report contained alternative remedial recommendations. Three Commissioners proposed a restoration of the tariff rates provided in the Tariff Act of 1930. The remaining three Commissioners favored a larger tariff increase together with quantitative limitations. Copies of that report are available at the Commission.

The Texts of the President's letter to the Congressional chairmen and of today's Proclamation are as follows:

The Honorable Harry Flood Byrd,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

The Honorable Wilbur D. Mills,
Chairman, House Ways and Means Committee,
House of Representatives, Washington, D.C.

Dear Mr. Chairman: In my letter to you of June 19, 1958, I stated that I was suspending consideration of the recommendations of the United States Tariff Commission in Escape-Clause Investigation No. 65 on lead and zinc. I pointed out that a final decision would be appropriate after the Congress had completed its consideration of the proposed Minerals Stabilization Plan. The Congress did not, as you know, enact this Plan.

After full consultation with the Trade Policy Committee and other interested agencies of the Executive Branch, I have decided to accept the unanimous findings of the Tariff Commission respecting injury. There is no doubt that the domestic producers are in genuine distress. They have substantially curtailed their produc-