Mr. HAINES. The facts show that in fact it happens all the time and I am not prepared to say why it happens but I can cite you innumerable cases where it has happened. In folic acid, for instance, according to calculations based on data that American Cyanamid has read into the record domestic folic acid sells for $120 a pound. The import sells for $64.75 a pound.

Now, those figures are perhaps 2 years old and maybe they are not the same today, but this has been going on for many years.

Mr. BYRNES. And they still want to pay that higher price?

Mr. HAINES. The foreign import is felt by some American manufacturers apparently not to be of a quality that they wish to hold or it may be that they have other ties with American——

Mr. BYRNES. Under this then Uncle Sam is getting a little revenue from ASP.

Mr. HAINES. He is getting a great deal of revenue from that particular product.

Mr. BYRNES. And it is not interfering with the market situation at all?

Mr. HAINES. It is interfering with the ability of the American consumer to buy vitamins at a reasonable price. Folic acid is a vitamin product. It can be produced abroad for $16. It is being sold in the United States at $120.

Mr. BYRNES. And it is being imported at $64.

Mr. HAINES. It is imported duty-paid at somewhere in the neighborhood of $64.

Mr. BYRNES. All around the range everyone is taking advantage of the consumer if that is the case.

Mr. HAINES. That is correct. The largest portion of that price of course is the tariff.

Mr. BYRNES. And all the Americans would have to do is do a better job of marketing or quality control and they would have the whole market themselves.

Mr. HAINES. The tariff is 25 percent.

Mr. BYRNES. They are giving the consumer a better break than the foreigner.

Mr. HAINES. You are getting a 25-percent tariff levied on a $120 price. That is $30 in tariff, which is twice the value of the product in the foreign market where it is produced.

Mr. BYRNES. I just don't understand this kind of mathematics. How can you keep out imports by simply increasing the differential between the domestic producers' market price and imports, thus increasing the domestic producers price disadvantage? I don't understand it.

Mr. HOCHSCHWENDER. May I give one more thought also in answer to your question?

Mr. BYRNES. Yes.

Mr. HOCHSCHWENDER. Going back to the statute that defines the American selling price, there do not have to be any sales of a product in order for it to be considered an American selling price. If the domestic manufacturer says to the customs examiner that he is willing to receive a certain price that is sufficient for the price to go on the books.

Mr. BYRNES. But you would have to admit that the American selling price doesn't necessarily improve the competitive position of the domestic producer.