

EXHIBIT A

Nylon monofilament (15 and 20 denier)

Resins and plastics:

Nylon molding compound
Urea molding compound
Melamine molding compound
Alkyd molding compound
Polyethylene (high molecular weight)
Cumar resins
CTFE molding compound

Organic chemicals:

Maleic anhydride
Ethanolamines
Cresols
Fumaric acid
Melamine
Anthracene
Quinoline, refined
Cresylic acid, refined
Naphthalene, refined
Propylene glycol

Benzenoid products:

Dyes
Organic pigments
Dye intermediates
Adipic, fumaric, etc.

Inorganic chemicals:

Sodium nitrite
Sodium bichromate
Chromic Acid
Hydrogen peroxide
Ammonium chloride
Aluminum chloride

STATEMENT OF JULE N. KVAMME, CORPORATE DEPARTMENT, CARNATION
COMPANY

RECOMMENDATION

Carnation Company supports the elimination of the American Selling Price (ASP) as a method of customs valuation. ASP no longer serves the purpose for which it was intended; it is not necessary to protect any infant U.S. industry; it has the effect of maintaining an artificial high price to the American consumer and can jeopardize the free flow of trade so essential to American industry.

THE ASP CONCEPT AND HISTORY

Other statements to the Committee set forth in detail the concept of ASP, its history and the many and substantial reasons for its elimination. It is our purpose in this statement to set forth an example of how the extended use of chemicals in modern food technology has had the effect of applying the ASP concept far beyond its original purpose.

THE CASE OF ETHYL VANILLIN

Ethyl vanillin is a synthetic flavor ingredient which imparts a vanilla-like flavoring and is used by food processors to flavor various food products. It is classified for U.S. customs purposes under Item 408.60 of the Tariff Schedules of the U.S. as a "finished organic chemical product manufactured in whole or in part from organic chemical crudes or industrial organic chemicals". Such classification is within the group which is subject to the ASP concept. ASP permits the maintenance of an unrealistic price for a commodity such as ethyl vanillin under noncompetitive situations and as a result increases the cost to the consumer as indicated in the following statistics: (The figures used are approximate because of changes in market prices.)