

EXHIBIT 3

"The antidumping feature of our Tariff Act is of considerable importance in protecting domestic industries from inroads of foreign goods or offered for sale at less than fair value. Not only will the improvements made by this bill assist in speeding up the operating procedure, *they will strengthen the deterrent effect of the law and in that respect help to prevent dumping.*" (Ibid.) (Emphasis added.)

The practice of the Treasury Department in adjusting the home market price used as a basis for "fair value" by differences in circumstances of sale is of questionable validity.

There appears to be no authority in the Antidumping Act for the Bureau of Customs to make adjustments in the home market price for differences in the circumstances of sale. The Act, at Sec. 202(a) [19 U.S.C. 161(a)], authorizes adjustments in price for differences in quantity or other differences in circumstances of sale *only* in the calculation of the *amount* of dumping duties to be imposed in respect to each importation *after* there has been a determination of dumping by the Secretary of the Treasury (and of injury by the Tariff Commission). It seems significant that this authority is not incorporated specifically or by reference in the definition of foreign market value, purchase price, or exporter's sales price.

The Treasury Department has assumed the power to transfer the authority to make such adjustments from the final stage of calculating dumping duties on imports to the first stage of the investigation, where it serves principally as a means of explaining away margins of dumping which are otherwise shown by the data to exist. Thus the provision