

EXHIBIT 3

They clearly limit the adjustments to those where it is established to the satisfaction of the Secretary or his delegate that the amount of any difference between the export price and the home market price *is wholly or partly due* to differences in circumstances of sale, at which point, as stated in the statute, *due* allowance shall be made therefor. Sec. 202, Antidumping Act, 19 U.S.C. 161. There is simply no basis whatever for Customs to *assume* what the statute requires to be proven to the satisfaction of the Secretary or his delegate, nor for adjustments to be made which exceed a "due allowance" under the circumstances.

*Adjustments To Reflect
Differences in Credit Costs*

We have been informed that the Bureau of Customs makes adjustments to reflect differences in credit costs when sales for export to the United States are on a cash (letter of credit prior to shipment) basis and home market sales are on credit terms. Apparently, a calculation is made of the credit cost per day to the foreign manufacturer and an adjustment is made in the home market price by applying this factor to the full amount of the invoice price on the volume of merchandise sold in the home market.

It is well known that most foreign manufacturing economies operate to a large degree on credit; not only is the manufacturer *extending credit* to his customers in the form of extended payment terms,