on the table at Geneva an entirely unacceptable proposal, which instead of reducing the effective level of protection, or maintaining the effective level of protection, increased it.

On behalf of importers, I opposed that at the time, and I can well conjecture that the Japanese negotiators could well have rejected it for the same reasons.

Now, notwithstanding the view just stated, we hold that the effective protection can and still should be reduced; because with some amendment, it is perfectly possible for you to pass a bill which will permit an agreement to be entered into which not only converts but reduces, as was done on chemicals, and this is the logical thing which we commend to you. In any case, if worst comes to worst, importers say "You can't and should not abandon the sound principle that if there is no ground for reduction, then the conversion should be made on the basis of the existing level of protection, at a date as close as is reasonably possible to the date of conversion, as found by an impartial body."

The proposal which you have before you does not do that, and neither the administration nor my friends from the American industry have explained why it doesn't.

It is a tariff-increasing proposal, which appears to use some of the data from the Tariff Commission's 1966 Report, based upon 1965 data; but uses the entirely impermissible device of taking 58 percent, representing a weighted average of all the footwear in the ASP category, and then doing something which we have to deduce, but which the table is here to show, figuring out that a compound rate would have some of the characteristics of the ASP system, and that a compound rate can be devised which is equal in its effect to the 58 or 60 percent rate, and adding such a compound rate.

Now, actually, 20 percent plus $0.25 a pair, again on the 1965 sample—and another year could be very different—on that 1965 sample, the mathematics are that it comes out at 60.3 percent. And if you are aiming at 58 percent, you can use $0.24, plus 20 percent.

So there is a fair choice there. The importers whom I represent oppose the compound rate, because they think that it involves some of the inequities of the ASP system, and because it is unduly complicated.

But I say it is a fair choice. The mathematics are equal. But to take them both, to say it shall be 20 percent plus $0.25 a pair with a minimum of 58, is just intellectual legerdemain. It is making it look like the Tariff Commission's proposal, and it is increasing the rate, effective rate, well above the proposal.

This proposal—which I conjecture, because I can't know this was worked out with the RMA—as something that they would buy, let's them have their cake and eat it, too, in about three different respects. It will convert only in 1971, three years from now, but it uses a minimum, based upon a study made in 1965, instead of saying, "Let's have another study before 1971."

It uses this double-barreled rate, in order to make sure that nothing goes below the average, and yet that for many products, they are denied the benefit of the averaging; and finally, it accepts the Tariff Commission's nomenclature, when it denies the Tariff Commission's report on the rate, when the nomenclature as we shall show is in itself defective.