

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

IT 012

INCOMING

DATE RECEIVED: JANUARY 26, 1990

NAME OF CORRESPONDENT: THE HONORABLE PHILIP M. CRANE

SUBJECT: URGES THE PRESIDENT TO SUPPORT THE CREATION
OF A GATT WORKING GROUP TO CONSIDER TAIWAN'S
APPLICATION FOR MEMBERSHIP IN THE GENERAL
AGREEMENT ON TARIFFS (GATT)

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C COMPLETED D YY/MM/DD
FREDERICK MCCLURE		ORG	90/01/26	Fm A	90/02/06
	REFERRAL NOTE:				
199USTR		R	90/02/09	A	90/04/04
	REFERRAL NOTE:				
LAMCCL		A	90/04/06	C	90/04/09
	REFERRAL NOTE:				
	REFERRAL NOTE:				
	REFERRAL NOTE:				

COMMENTS: Letters sent to all signees.

ADDITIONAL CORRESPONDENTS: 18 MEDIA:L INDIVIDUAL CODES: 1240 1230
MAIL USER CODES: (A) (B) (C)

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*ACTION CODES:          *DISPOSITION                *OUTGOING                *
*                       *                               *CORRESPONDENCE:        *
*A-APPROPRIATE ACTION  *A-ANSWERED                *TYPE RESP=INITIALS    *
*C-COMMENT/RECOM       *B-NON-SPEC-REFERRAL      *           OF SIGNER  *
*D-DRAFT RESPONSE      *C-COMPLETED             *           CODE = A    *
*F-FURNISH FACT SHEET  *S-SUSPENDED              *COMPLETED = DATE OF  *
*I-INFO COPY/NO ACT NEC*                               *           OUTGOING   *
*R-DIRECT REPLY W/COPY *                               *                       *
*S-FOR-SIGNATURE       *                               *                       *
*X-INTERIM REPLY       *                               *                       *
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE
(ROOM 75, OEOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS
MANAGEMENT.

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PHILIP M. CRANE

MEMBER OF CONGRESS
12TH DISTRICT OF ILLINOIS

WAYS AND MEANS
COMMITTEE

SUBCOMMITTEES:
TRADE
(VICE CHAIRMAN)

HEALTH

REPUBLICAN STUDY COMMITTEE
EXECUTIVE COMMITTEE



OFFICES:
SUITE 1035
LONGWORTH BUILDING
WASHINGTON, DC 20515
202/225-3711

1450 SOUTH NEW WILKE ROAD
ARLINGTON HEIGHTS, IL 60005
312/394-0790

3725 W. ELM STREET
MCHENRY, IL 60050
815/344-0110
312/223-3030

ROBERT C. COLEMAN
CHIEF OF STAFF

Congress of the United States
House of Representatives

Washington, DC 20515

January 23, 1990

F. McClure

The Honorable George Bush
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

On January 1, 1990, Taiwan applied for membership in the General Agreement on Tariffs and Trade (GATT). This is an important development, and one we believe deserves the support of the United States Government.

As our fifth largest trading partner and the thirteenth largest trading entity overall, Taiwan, whose foreign exchange reserves rank second in the world, is clearly an important participant in the global economy. Their inclusion in the multilateral body charged with regulating world trade would not only serve U.S. interests but also strengthen the trading system itself.

Taiwan's commitment to assume greater international responsibilities is underscored by its unique willingness to seek GATT membership with developed country status. Moreover, we believe Taiwan cleared a key political hurdle by applying as the "Customs Territory of Taiwan, Penghu, Kinmen and Matsu" to avoid the suggestion of including any other areas over which it does not currently possess autonomy in the conduct of external commercial relations.

We view this initiative as a positive and significant step on the part of Taiwan, and we urge you to support the creation of a GATT working group to consider Taiwan's application on its merits. Specifically, we believe the GATT Secretariat should be urged to place Taiwan's accession request on the February agenda of the GATT Council meeting.


Sincerely,

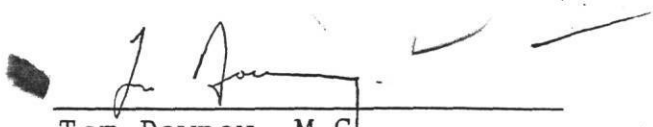
Philip M. Crane


Philip M. Crane; Vice Chairman
Subcommittee on Trade


Sam Gibbons

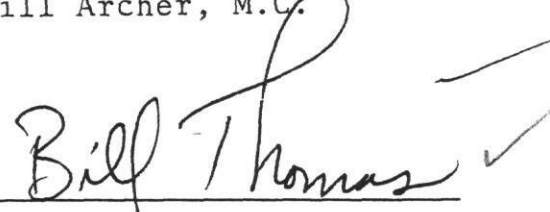
Sam Gibbons; Chairman
Subcommittee on Trade

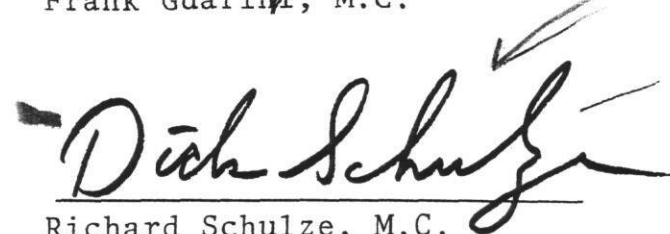

J.J. Rickle, M.C.


Tom Downey, M.C.

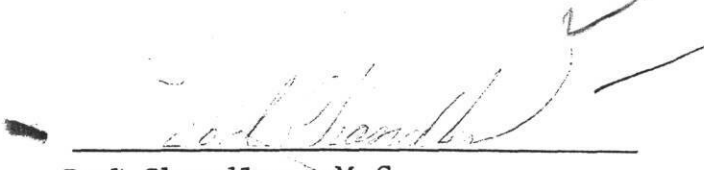

Bill Archer, M.C.



Frank Guarini, M.C.

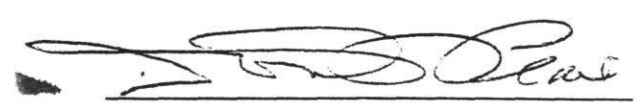

Bill Thomas, M.C.


Richard Schulze, M.C.

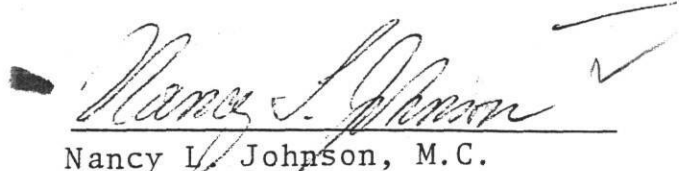

Raymond McGrath, M.C.


Rod Chandler, M.C.


Robert Matsui, M.C.


Donald Pease, M.C.


Don Sundquist, M.C.


Nancy L. Johnson, M.C.


Benjamin L. Cardin, M.C.


Sander Levin, M.C.

cc: Carla Hills; United States Trade Representative
James Baker; Secretary of State
Clayton Yeutter; Secretary of Agriculture
Robert Mosbacher; Secretary of Commerce

Bill Frenzel

Bill Frenzel, M.C.

E. Clay Shaw

E. Clay Shaw, M.C.

William J. Coyne

William J. Coyne, M.C.

APR - 4 1990

The Honorable Benjamin L. Cardin
U.S. House of Representatives
Washington, D. C. 20515

Dear Congressman Cardin:

This is in further response to your February 9 letter to the President co-signed by 15 of your colleagues, concerning the application by Taiwan for accession to the General Agreement on Tariffs and Trade (GATT). I completely agree with you concerning the importance of Taiwan's decision to submit its request for contracting party status on January 1, 1990. We have a unique opportunity to bring under GATT discipline one of the last major market-price based trading entities outside the GATT system, and to foster its future development along GATT lines. I also share your perspectives on the benefits to U.S. bilateral and multilateral goals if this Asian trading giant can be brought into the GATT trading system as a developed economy.

Taiwan has taken great care to avoid politicizing its approach to the GATT, particularly in its request to apply only as the Customs Territory of Taiwan, Penghu, Kinmen and Matsu, rather than under a more politically contentious title. Nevertheless, this request presents political difficulties. The GATT does not require political sovereignty for GATT participation, but the People's Republic of China strongly objects to any consideration of an independent request by Taiwan for membership in this international organization, equating this with political recognition of the Taiwan regime. As a consequence, the GATT Contracting Parties have delayed placing the issue on the Council agenda in order to reflect on the application and on how it can be addressed in the GATT.

I continue to believe that the eventual accession of Taiwan to the GATT will greatly benefit U.S. commercial and trade policy interests, and the international trading system as a whole. We will work with other GATT contracting parties to address the problems that face eventual initiation of the GATT review of Taiwan's request, and we seek your continued support for our efforts.

Sincerely,

Carla A. Hills

CAH:ckj