

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

IT 012

INCOMING

DATE RECEIVED: MAY 09, 1990

NAME OF CORRESPONDENT: THE HONORABLE DANTE B. FASCELL

SUBJECT: URGES THE U.S. TO SUPPORT TAIWAN'S  
APPLICATION TO BECOME A FULL PARTY TO THE  
GENERAL AGREEMENT OF TRADE AND TARIFFS  
(GATT)

ROUTE TO: OFFICE/AGENCY (STAFF NAME)		ACTION ACT CODE	DATE YY/MM/DD	TYPE RESP	DISPOSITION C COMPLETED D YY/MM/DD
FREDERICK MCCLURE		ORG	90/05/09	FM	A 90 P5 17
99 USTR	REFERRAL NOTE:	A	900523		1 1
99 DOS	REFERRAL NOTE:	I	900523		1 1
99 DOC	REFERRAL NOTE:	I	900523		1 1
NSC SIV	REFERRAL NOTE:	I	900522		1 1
PDFarr	REFERRAL NOTE:	I	900522		1 1

COMMENTS:  
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ADDITIONAL CORRESPONDENTS: 28 MEDIA:L INDIVIDUAL CODES: 1230 1240  
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  
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LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS  
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*F McClure*

One Hundred First Congress  
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House of Representatives  
Washington, DC 20515

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MINORITY CHIEF OF STAFF

May 4, 1990

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

Dear Mr. President :

We write concerning Taiwan's application to become a full party to the General Agreement of Trade and Tariffs (GATT). As Members of the House Foreign Affairs Committee, we believe on balance that it is in the interest of the United States to support Taiwan's immediate entry and to encourage other member countries to support the application as well.

There is no question that, on economic grounds, Taiwan should be a party to GATT. It is one of the most rapidly growing and industrializing economies, with a GDP last year of \$137 billion. Taiwan's external economic relations are as significant as its economic size, with global two-way trade at \$118.5 billion. At the encouragement of the United States, moreover, Taiwan has embarked on a process of removing tariff and non-tariff barriers to imports, a process that would be accelerated by its entry into GATT.

The only questions concerning Taiwan's application which might obstruct a positive US response is political—would its entry complicate our relations with the People's Republic of China and those of member countries? In this regard, we believe that Taiwan has negated any potential problems by applying as a customs area and not as a state. In addition, we note that Hong Kong is a party to GATT as a separate customs area and will remain so even after the colony is returned to Chinese sovereignty under the "one country-two systems" formula—precisely the formula which the PRC has proposed for Taiwan.

Finally, some may warn that acceptance of Taiwan's application before that of the PRC may unnecessarily provoke Beijing. Even if that is the case, we do not believe that Taiwan's entry should be delayed until the world community approves China's application. Taiwan has a free-market economy and its participation in GATT is in the interest of all other free-market economies. We hope that the Chinese government will resume and carry out economic reform to the point that it is appropriate for it to enter GATT. Because that day may be long in coming—and may never come—we do not believe that it is a sufficient justification for delaying Taiwan's entry.

We therefore urge you to support Taiwan's application to become a party to GATT and to urge other countries—particularly Japan and the nations of the European Commission—to support it as well. Thank you for your consideration.

Sincerely,

*Dante B. Fascell*

DANTE B. FASCELL, MC  
Chairman  
House Foreign Affairs  
Committee

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WILLIAM S. BROOMFIELD, MC  
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May 17, 1990

Dear Congressman Fascell:

Thank you for your recent letter to the President, cosigned by 28 of your colleagues on the House Foreign Affairs Committee, expressing your support for Taiwan's application to become a full party to the General Agreement of Trade and Tariffs (GATT).

We appreciate being apprised of both your support of Taiwan's application and your views regarding the possible reaction of the People's Republic of China. I have taken the liberty of sharing your comments with the President's foreign and trade policy advisors so that they, too, are aware of your views in this regard.

Thank you again for your interest in writing.

With best regards,

Sincerely,

Frederick D. McClure  
Assistant to the President  
for Legislative Affairs

The Honorable Dante B. Fascell  
House of Representatives  
Washington, D.C. 20515

FDM:SLM:jfc (5FDMG)  
GATT-H.pf

cc: w/copy of inc to USTR - for appropriate action  
cc: w/copy of inc to Department of State - FYI  
cc: w/copy of inc to Department of Commerce - FYI  
cc: w/copy of inc to NSC - FYI  
cc: w/copy of inc to Office of Policy Development,  
Steve Farrar - FYI