

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

ID# 254047

TA 004-06

INCOMING

DATE RECEIVED: JULY 15, 1991

NAME OF CORRESPONDENT: THE HONORABLE MARCY KAPTUR

SUBJECT: ASKS THE PRESIDENT TO EXTEND THE VOLUNTARY
RESTRAINT AGREEMENT WITH JAPAN AND TAIWAN
REGARDING MACHINE TOOLS BEYOND DEC 91

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION		
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD
FREDERICK MCCLURE		ORG	91/07/15	FM	A910718	
99 USTR	REFERRAL NOTE: _____					
99 DOC	REFERRAL NOTE: _____					
	REFERRAL NOTE: _____					
	REFERRAL NOTE: _____					
	REFERRAL NOTE: _____					

COMMENTS: *Letters sent to all signers*

ADDITIONAL CORRESPONDENTS: 14 MEDIA:L INDIVIDUAL CODES: 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
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KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS
MANAGEMENT.

254047

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Franchise

Congress of the United States
Washington, DC 20515

July 10, 1991

The Honorable George Bush
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20050

Dear Mr. President:

We write today to call your attention to the fact that the Voluntary Restraint Agreement with Japan and Taiwan regarding machine tools is due to expire at the end of the year.

As recent events in the Persian Gulf have demonstrated, a healthy defense industrial base is absolutely critical to America's capacity to defend its friends as well as its vital interests around the world. We would note, Mr. President, that the machine tool industry is at the heart of that defense industrial base. Without machine tools America could not produce the ships, planes, tanks and guns that are so necessary for our military and industrial operations.

Mr. President, the machine tool VRA has succeeded in stemming the erosion of this vital industrial sector during the past four years. In the process, the VRA has allowed U.S. companies the breathing space to reinvest profits and increase new investment in the machine tool industry in this country. All the more remarkable, this has been accomplished without raising the price of machine tools to U.S. industrial customers.

Yet, while the VRA has been a success to date, it would be dangerous to allow it to lapse at the end of 1991. The low prices and high investment levels that have increased quality while keeping costs to U.S. industry at a minimum have also meant low profit margins. This, in turn, has meant that while the industry has held its own and indeed reversed past erosion, it has not yet built up the competitive edge it would need to meet foreign (often subsidized) competition and satisfy defense mobilization requirements should the VRA be lifted.

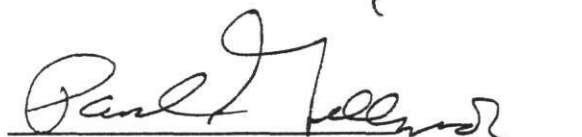
As an example of the need to maintain and nurture in the U.S. the basic critical technologies used by machine tools, The National Critical Technologies Panel's Critical Technologies Report warns of the danger of further erosion in all critical technologies related to machine tools to Europe and Japan.

We, therefore, ask you to extend the machine tool VRA beyond December 1991. Such an extension would provide the additional breathing space necessary to complete the rebuilding of this vital segment of our defense industrial base while guaranteeing that our nation will have the capacity to respond to any mobilization contingency. Thank you.


Sincerely,



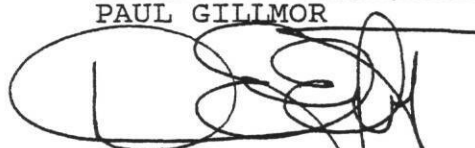
MARCY KAPTUR



PAUL GILLMOR



DON PEASE



DENNIS ECKART



DOUGLAS ABERNETHY



MICHAEL OXLEY



JAMES TRAFICANT



EDWARD FEIGHAN



CHARLES LUKEN



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