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THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

ID# 318479  
DOF HAS SEEN

SKS JA004-01

INCOMING

DATE RECEIVED: MARCH 30, 1992

NAME OF CORRESPONDENT: THE HONORABLE TOBY ROTH

THE CHIEF OF STAFF  
has seen

SUBJECT: CONCERNS REGARDING TRADE CONCESSIONS TO  
TAIWAN ON MACHINE-TOOL PARTS FOR A TWO-YEAR  
EXTENSION OF THE VOLUNTARY RESTRAINT  
AGREEMENTS ON MACHINE TOOLS

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C COMPLETED D YY/MM/DD
SAMUEL SKINNER		ORG	92/03/30		C 92/03/31
LACALI	REFERRAL NOTE:	F	92/03/30		C 1 1
LACALI	REFERRAL NOTE: Copy Sent	A	92/03/31	NC	A 92/04/03
99 USTR	REFERRAL NOTE:	CR	92/04/20	DJ	A 92/07/15
99 DOC	REFERRAL NOTE:	CI	92/04/20		C 1 1
99 DOS	REFERRAL NOTE:	F	92/04/20		C
LACALI - KUI - USTR		DJ	92-07-22		
COMMENTS: ENCLOSURES					

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 1240

CS MAIL USER CODES: (A) (B) (C)

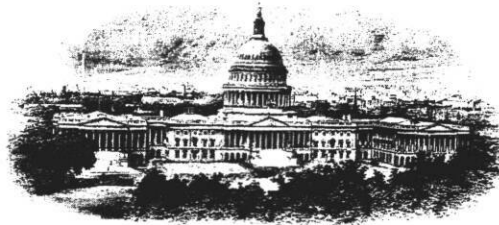
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- |                          |                      |                      |   |
|--------------------------|----------------------|----------------------|---|
| *ACTION CODES:           | *DISPOSITION         | *OUTGOING            | * |
| *                        | *                    | *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         |                      |                      | * |
- \*\*\*\*\*

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE  
(ROOM 75,OE0B) EXT-2590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING  
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS  
MANAGEMENT.

TOBY ROTH  
EIGHTH DISTRICT  
WISCONSIN

2352 RAYBURN BUILDING  
WASHINGTON, D.C. 20515

TRAVEL AND TOURISM CAUCUS  
SPORTSMEN'S CAUCUS  
RURAL CAUCUS  
GRACE CAUCUS  
MILITARY REFORM CAUCUS



United States  
House of Representatives

March 26, 1992

318479  
FOREIGN AFFAIRS COMMITTEE  
INTERNATIONAL ECONOMIC POLICY AND TRADE  
ASIAN AND PACIFIC AFFAIRS  
AFRICA

BANKING, FINANCE AND  
URBAN AFFAIRS COMMITTEE  
DOMESTIC MONETARY POLICY  
FINANCIAL INSTITUTIONS SUPERVISION,  
REGULATION AND INSURANCE  
POLICY RESEARCH AND INSURANCE

Mr. Samuel K. Skinner  
Chief of Staff to the President  
The White House  
1600 Pennsylvania Avenue NW  
Washington, D.C. 20500

Dear Sam:

News reports are disturbing to me that the United States is preparing to offer trade concessions to Taiwan on machine-tool parts to win consent for a two-year extension of the Voluntary Restraint Agreements (VRAs) on machine tools.

Additionally, my information is that Deputy U.S. Trade Representative Michael Moskow is on the verge of granting still more special trade favors to an Indianapolis-based importer of Taiwan-made machine tools.

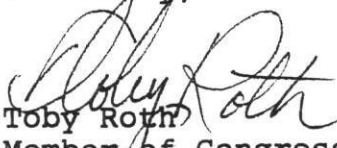
While such proposed actions may be well-meant, they are perceived as extremely threatening to the vital U.S. machine-tool industry, particularly to constituent companies in Wisconsin.

One of our most important companies, Giddings & Lewis, Inc., of Fond du Lac, Wisconsin, is driving hard to be competitive in the machine-tool industry, being the fifth largest factory automation and machine-tool manufacturer in the world. Indeed, last year the entire Wisconsin congressional delegation united to help persuade the U.S. Department of Justice to approve Giddings & Lewis' proposed acquisition of financially troubled Cross & Trecker.

Not the least of industry worries is that undue concessions to Taiwan unnecessarily risk losing Japan's crucial support for extension of the VRAs.

Enclosed for your reference are copies of my earlier letter and enclosures. Please tell me how to respond to my Wisconsin industrial constituent.

Sincerely,

  
Toby Roth  
Member of Congress

DEPUTY UNITED STATES TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON, D.C. 20506

JUL 15 1992

The Honorable Toby Roth  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Congressman Roth:

This is in response to your letter to Samuel Skinner expressing your concern and that of your constituent, Giddings and Lewis, regarding the pace and coverage of our efforts to negotiate machine tool voluntary restraint agreements (VRAs) with Japan and Taiwan.

Since your letter, we have successfully concluded agreements with both Japan and Taiwan. We believe that these agreements will permit U.S. companies to complete the necessary programs for advancing U.S. national security interests while providing a gradual return to market-determined competition. While the negotiations were long and difficult, the final agreements assured that imports of machine tools in the period prior to the agreements would not be allowed to undermine the President's machine tool revitalization program.

I would like to correct one additional point in your letter regarding positions attributed to me with respect to the treatment of special issue permits. At no time did I support special favors for any individual company. As the final agreement with Taiwan clearly indicates, there is no special allocation of machine tools for any individual company. The agreement contains a generic provision through which individual companies may petition the Department of Commerce for access to additional machine tools or parts. This provision is virtually identical to that contained in the 1986 VRA and we expect that the Department of Commerce will administer it in the same way as it did previously.

Our objective throughout the negotiations was to implement the President's decision of December 27, 1991 to maximize the contribution of the domestic machine tool industry to our national security interests.

Sincerely,



Michael H. Moskow

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