

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

ID# 319062

*TA004-06*

INCOMING

DATE RECEIVED: APRIL 01, 1992

NAME OF CORRESPONDENT: THE HONORABLE JOHN JOSEPH MOAKLEY

SUBJECT: CONCERN THAT NEGOTIATORS FOR THE EXTENSION OF  
THE MACHINE TOOL VRA WITH TAIWAN AND JAPAN  
MAY GRANT THE HURCO CORPORATION THE RIGHT TO  
IMPORT 846 MORE MACHINES THAN THE 310 MACHINE

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION ACT CODE	DATE YY/MM/DD	DISPOSITION TYPE RESP	C COMPLETED D YY/MM/DD
NICK CALIO		ORG	92/04/01	NC	A 92/04/13
<i>99 USTR</i>	REFERRAL NOTE:	<i>C</i>	<i>92/04/16</i>	<i>DJ</i>	<i>A updated</i>
<i>99 DOC</i>	REFERRAL NOTE:	<i>C</i>	<i>92/04/16</i>		<i>1/1</i>
<i>99 DOS</i>	REFERRAL NOTE:	<i>C</i>	<i>92/04/16</i>		<i>1/1</i>
<i>Lacali</i>	REFERRAL NOTE:	<i>DJ A</i>	<i>92/6/12</i>		<i>C 92/06/12</i>
	REFERRAL NOTE:	<i>FYZ</i>	<i>USTR</i>		

COMMENTS: VRA (VOLUNTARY RESTRAINT AGREEMENT)

ADDITIONAL CORRESPONDENTS: 10 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  
(ROOM 75, OEOB) EXT-2590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING  
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS  
MANAGEMENT.

JOHN JOSEPH MOAKLEY  
9TH DISTRICT, MASSACHUSETTS

DEPUTY WHIP

COMMITTEE ON RULES  
CHAIRMAN

Congress of the United States  
House of Representatives  
Washington, DC 20515

March 31, 1992

319062  
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ADMINISTRATIVE ASSISTANT

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(508) 824-6676

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

We are writing to express our concern that your December 27, 1991, decision to extend the Machine Tool Voluntary Restraint Agreement with Taiwan and Japan for an additional two years is in danger of being rendered ineffective. It has been three months since your decision and no action has been concluded.

Under the terms now being proposed by U.S. negotiators, one U.S. importer of Taiwanese machines, the Hurco Corporation of Indianapolis, would be granted the right to import 846 more machines than the 310 machine ceiling that has been suggested for the country of Taiwan. These 846 special import licenses negate the purpose of the agreement. Furthermore, the Japanese have indicated that they will require a matching number in order to maintain parity. The net result is that the U.S. industry will receive no benefit from the two-year VRA extension.

Mr. President, we are concerned that your negotiators do not appreciate the gravity of this issue. The American Machine Tool Industry deserves your continued support, not only for national security reasons, but also for the 70,000 American jobs that will be directly affected. This is not the time to allow our resolve to falter because of the intransigence of Taiwan or the narrow interest of a single importer. We feel strongly that the intent of your decision should not be relinquished.

Sincerely,



JOHN JOSEPH MOAKLEY  
Member of Congress



EDWARD MARKEY  
Member of Congress

Page 2  
The Honorable George Bush  
March 31, 1992



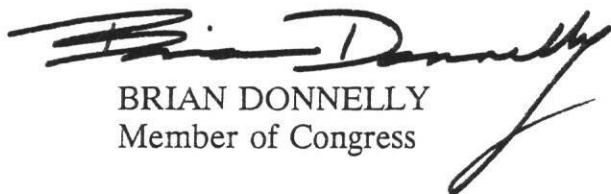
CHESTER ATKINS  
Member of Congress



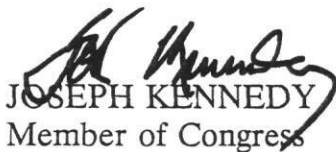
JERRY STUDDS  
Member of Congress



RICHARD NEAL  
Member of Congress



BRIAN DONNELLY  
Member of Congress



JOSEPH KENNEDY  
Member of Congress



NICHOLAS MAVROULES  
Member of Congress



BARNEY FRANK  
Member of Congress



JOHN OLVER  
Member of Congress



JOSEPH EARLY  
Member of Congress

THE UNITED STATES TRADE REPRESENTATIVE  
Executive Office of the President  
Washington, D.C. 20506

The Honorable John Joseph Moakley  
U.S. House of Representatives  
Washington D.C. 20515

Dear Congressman Moakley:

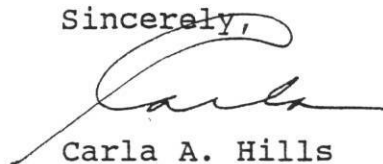
This is in further response to your letter to the President with respect to the negotiations of voluntary restraint agreements (VRA's) with Japan and Taiwan to implement the President's December 27, 1991 decision.

Since your letter, we have concluded negotiations with Japan. Japan is our major trading partner for machine tools, and we believe our agreement with Japan 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.

Negotiations with Taiwan are continuing. We are frustrated and disappointed with the pace of negotiations. I want to assure you that imports of machine tools in the interim period before an agreement is reached will not be allowed to undermine the President's machine tool revitalization program, and I hope very much to conclude this negotiation in the near term.

With respect to special license procedures, we expect that the Department of Commerce will consider such requests on the same basis as it did in the 1986-91 VRA period, namely, so as to contribute to the creation of a strong, technologically advanced domestic machine tool industry.

Sincerely,



Carla A. Hills