

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: APRIL 03, 1992

TA004-06

NAME OF CORRESPONDENT: THE HONORABLE JOHN GLENN

SUBJECT: EXPRESSES CONCERN REGARDING THE VOLUNTARY
RESTRAINT AGREEMENTS FOR MACHINE TOOLS; URGES
THAT NEGOTIATIONS WITH TAIWAN AND JAPAN NOT
INCLUDE ANY SPECIAL LICENSES

ACTION DISPOSITION

ROUTE TO: OFFICE/AGENCY (STAFF NAME) ACT CODE DATE YY/MM/DD TYPE RESP C COMPLETED D YY/MM/DD

| ROUTE TO: OFFICE/AGENCY (STAFF NAME) | ACT CODE | DATE YY/MM/DD | TYPE RESP | C COMPLETED D YY/MM/DD |
|--------------------------------------|----------|---------------|-----------|------------------------|
| NICK CALIO | ORG | 92/04/03 | NC | A 92/10/13 |
| 99ustr REFERRAL NOTE: | R | 220416 | DJ | A undated |
| 99DOS REFERRAL NOTE: | CVE | 220416 | | ✓ |
| 99DOC REFERRAL NOTE: | CVE | 220416 | | ✓ |
| LACali REFERRAL NOTE: | CVE | 220416 | | ✓ |
| REFERRAL NOTE: FYZ-ustr | A | 92/6/12 | | C 92/06/12 RL |

COMMENTS: _____

ADDITIONAL CORRESPONDENTS: 9 MEDIA:L INDIVIDUAL CODES: 1210 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
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS
MANAGEMENT.

JOHN GLENN

OHIO

5116
COMMITTEES:

- GOVERNMENTAL AFFAIRS, CHAIRMAN
- ARMED SERVICES
- SELECT COMMITTEE ON INTELLIGENCE
- SPECIAL COMMITTEE ON AGING

United States Senate

WASHINGTON, DC 20510-3501

March 31, 1992

The Honorable George Bush
The White House
Washington, D.C. 20500

Dear Mr. President:

We are writing today to express our very great concern about the extension of the Machine Tool Voluntary Restraint Agreements. We welcomed and supported your December 27, 1991 decision to extend these important agreements for an additional two years. Unfortunately, it has now been over three months since that decision was announced and there are no new agreements and the direction and pace of the negotiations is, in our view, unacceptable.

We understand that one U.S. company, which imports machine tools primarily from Taiwan, has requested what amounts to an exemption from VRA coverage. Under terms now being proposed by U.S. negotiators, this company alone would be permitted to import 300% more machines than the numerical ceiling which has been suggested for the country of Taiwan. This special treatment would undoubtedly prompt Japan to insist on similar treatment in order to maintain parity and thus effectively negate the very purpose of the VRA.

Mr. President, last year you quite correctly determined that U.S. national security interest would be best served by extending the Voluntary Restraint Agreements. This determination must not be undermined by the negotiation of agreements rendered essentially meaningless by the extraordinary growth in imports permitted. Three months of the two year extension period have already elapsed. We urge you to clearly and forcefully reiterate to the U.S. negotiating team the importance of concluding new and meaningful VRAs as quickly as possible.

Sincerely,


John Glenn


Marcy Kaptur



Howard M. Metzenbaum



Charles J. Luken



Louis Stokes



Douglas Applegate



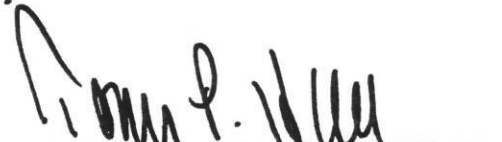
Dennis E. Eckart



Bob McEwen



Paul E. Gillmor



Tony P. Hall

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

9

The Honorable John Glenn
United States Senate
Washington D.C. 20510

Dear Senator Glenn:

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