

JW

ID# 319943

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

TA 004-06

INCOMING

DATE RECEIVED: APRIL 06, 1992

NAME OF CORRESPONDENT: THE HONORABLE ALAN J. DIXON

SUBJECT: OPPOSES THE PROPOSAL THAT WOULD ALLOW CERTAIN
MACHINES BY TAIWAN AND JAPAN TO BE IMPORTED
OUTSIDE THE MACHINE TOOL VOLUNTARY RESTRAINT
AGREEMENT LIMITS

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	92/04/06	NS	A 92/04/16
99 USTR	REFERRAL NOTE:	B	22/04/28	DJ	Suspended
99 DOC	REFERRAL NOTE:	I	22/04/28		CIT
99 DOS	REFERRAL NOTE:	I	22/04/28		CIT
LACali	REFERRAL NOTE:	A	92/6/12		C 92/06/12
	REFERRAL NOTE: F Y D - USTR			DJ	

RL

COMMENTS: Letters sent to all signers

ADDITIONAL CORRESPONDENTS: 18 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.

ALAN J. DIXON
ILLINOIS

MAJORITY
CHIEF DEPUTY
WHIP

United States Senate

WASHINGTON, DC 20510-1301

319943
COMMITTEES:
ARMED SERVICES
BANKING, HOUSING, AND
URBAN AFFAIRS
SMALL BUSINESS

March 31, 1992

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

We support your December 27, 1991 decision to extend the Machine Tool Voluntary Restraint Agreement with Taiwan and Japan for an additional two years. However, a recent proposal being considered would allow certain machines to be imported outside the VRA limit rendering any VRA useless. We strongly oppose such a proposal.

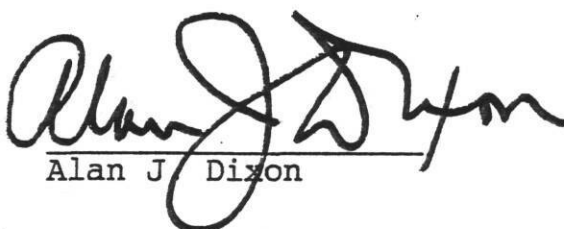
Under the terms now being proposed by U.S. negotiators, the Hurco Corporation of Indianapolis would be granted special licenses to import 300 percent more machines than the VRA numerical ceiling that has been proposed for Taiwan.

Mr. President, this proposal to allow over 800 machines to be exempted from the VRA limit virtually negates the very purpose of a VRA. Furthermore, Japan has indicated that it will require a matching number in order to maintain parity. The result is that the U.S. machine tool industry will receive no benefit from the two-year VRA extension.

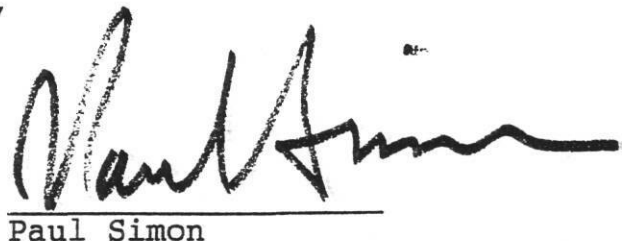
We are concerned that your negotiators do not appreciate the full gravity of this issue. The American machine tool industry deserves your continued support for both national security reasons and for the 70,000 jobs that will be directly affected. This is not the time to weaken our position because of the intransigence of Taiwan or the narrow interests of a single importer. Please be assured that if our negotiators lack the will to enforce your decision, Congress is prepared to support you legislatively.

Thank you for your attention on this very important issue.

Sincerely,



Alan J. Dixon



Paul Simon

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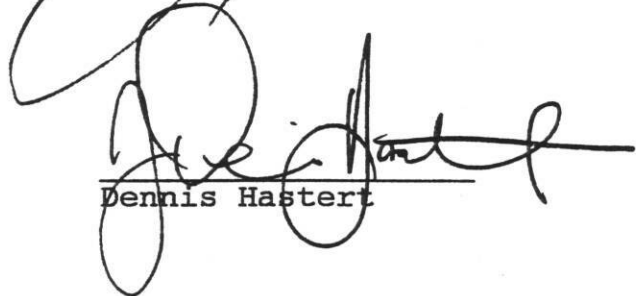
Richard Durbin



Jerry Costello



Cardiss Collins



Dennis Hastert



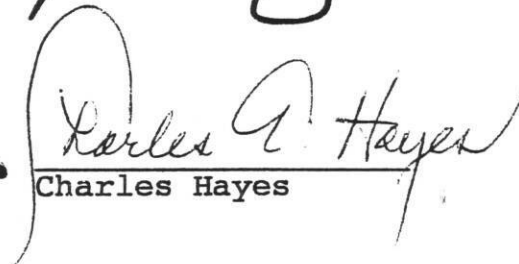
Glenn Poshard



Harris Fawell



George Sandmeister



Charles Hayes



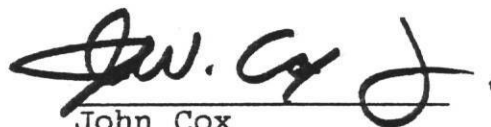
John Porter



Marty Russo



Lane Evans



John Cox

The President
March 31, 1992
Page Three

Terry R. Bruce William D. Lipinski
Terry Bruce William Lipinski

Gus Savage Thomas Ewing
Gus Savage Thomas Ewing

Sidney Yates
Sidney Yates

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

The Honorable Alan J. Dixon
United States Senate
Washington D.C. 20510

Dear Senator Dixon:

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