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ID# 320211

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

TA 004-06

INCOMING

DATE RECEIVED: APRIL 06, 1992

NAME OF CORRESPONDENT: THE HONORABLE JOHN P. MURTHA

SUBJECT: URGES THE PRESIDENT TO RESOLVE THE INABILITY
OF THE U.S. TRADE NEGOTIATORS TO REACH A
CONCLUSION REGARDING THE EXTENSION OF THE
MACHINE TOOL VRA WITH TAIWAN AND JAPAN

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

NICK CALIO		ORG	92/04/06	NC	A 92/04/16	RL
99 USTR	REFERRAL NOTE:	R	92/04/29	DJ	Amended	
99 DOC	REFERRAL NOTE:	I	92/04/29	C	I I	
99 DOS	REFERRAL NOTE:	I	92/04/29	C	I I	
LACali	REFERRAL NOTE:	A	92/6/12	C	92/6/1	RL
	REFERRAL NOTE: FYI-USTR					DJ

COMMENTS: **RL** letters sent to all signees

ADDITIONAL CORRESPONDENTS: 15 MEDIA:L INDIVIDUAL CODES: 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      *                   *
*D-DRAFT RESPONSE      *C-COMPLETED             *                   *
*F-FURNISH FACT SHEET  *S-SUSPENDED              *COMPLETED = DATE OF *
*I-INFO COPY/NO ACT NEC*                               *                   *
*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.

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

March 31, 1992

The President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

We are writing to express our concern about the inability of U.S. trade negotiators to reach a conclusion regarding your December 27, 1991 decision to extend the Machine Tool Voluntary Restraint Agreement with Taiwan and Japan.

It appears that under the terms now being proposed, one small U.S. importer of Taiwanese machines would be granted special licenses to import 300% more machines than the ceiling which has already been suggested for Taiwan. In addition, the Japanese have indicated that they will require a matching number with the Taiwanese in order to maintain parity. We believe that the net result of granting such import licenses would virtually eliminate any benefit the U.S. industry might gain from the two-year VRA extension.

Mr. President, the American machine tool industry deserves your continued support, not only for national security reasons but also for the jobs of 70,000 American workers and the communities in which they live. Time is of the essence if the U.S. machine tool industry is to benefit from your decision to extend the VRA program.

We urge you to resolve this impasse with the Taiwanese and the Japanese so that a reasonable agreement can be reached quickly. We stand ready to support you legislatively should you need our assistance.

Sincerely,

John P. Murtha

JOHN P. MURTHA

Joseph M. McNamee

JOSEPH M. MCNAMEE


Joseph M. Gaydos

JOSEPH M. GAYDOS


Gus Yatron

GUS YATRON

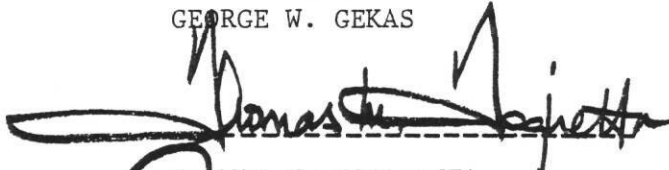
Mr. President
March 31, 1992
Page 2




AUSTIN J. MURPHY



GEORGE W. GEKAS



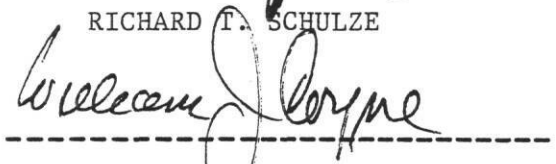
THOMAS M. FOGLIETTA



PAUL E. KANJOFSKI



RICHARD T. SCHULZE



WILLIAM J. COYNE



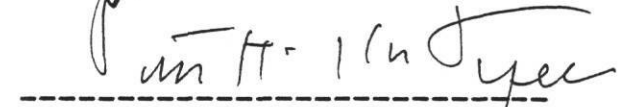
RICK SANTORUM




ROBERT A. BORSKI



JOE KOLTER



PETER H. KOSTMAYER



WILLIAM F. CLINGER



BUD SHUSTER

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

The Honorable John P. Murtha
U.S. House of Representatives
Washington D.C. 20515

Dear Congressman Murtha:

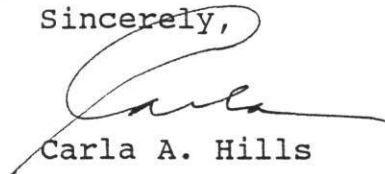
This is in further response to your letter to the President with respect to the negotiations of voluntary restraint agreements (VRA's) with Japan and Taiwan to implement the President's December 27, 1991 decision.

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