

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

C003401

INCOMING

DATE RECEIVED: FEBRUARY 28, 1990

NAME OF CORRESPONDENT: THE HONORABLE BILL NELSON

SUBJECT: URGES THE PRESIDENT TO SUPPORT TAIWAN'S
APPLICATION FOR GATT MEMBERSHIP, AND CREATE A
GATT WORKING GROUP SO THAT THIS APPLICATION
CAN BE ON THE AGENDA OF THE NEXT GATT MEETING

| ROUTE TO: OFFICE/AGENCY (STAFF NAME) | ACTION | | DISPOSITION | |
|---|-------------|------------------|--------------|---------------------------|
| | ACT CODE | DATE YY/MM/DD | TYPE RESP | C COMPLETED D YY/MM/DD |
| FREDERICK MCCLURE | ORG | 90/02/28 | FM | A 90/03/05 [H] |
| 99 USR REFERRAL NOTE: _____ | B | 90/03/12 | A | 90/03/09 |
| PD Post REFERRAL NOTE: _____ | I | 90/03/09 | | / / |
| LAMCCL REFERRAL NOTE: _____ | A | 90/04/02 | C | 90/04/04 [S] |
| REFERRAL NOTE: _____ | | | | / / |
| REFERRAL NOTE: _____ | | | | / / |

COMMENTS: _____

ADDITIONAL CORRESPONDENTS: 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.

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F. McClure

**Congress
of the
United States
House of Representatives**



BILL NELSON
FLORIDA
ELEVENTH DISTRICT

February 27, 1990

The Honorable George H. Bush
President of the United States
The White House
Washington, D.C. 20004

CHAIRMAN OF SUBCOMMITTEE:
SPACE SCIENCE AND APPLICATIONS
COMMITTEES:
SCIENCE, SPACE AND TECHNOLOGY
BANKING, FINANCE AND URBAN AFFAIRS

Dear Mr. President:

I am writing to declare my support of Taiwan as a member in the General Agreement on Tariffs and Trade (GATT). Taiwan's January 1, 1990 application for membership is an important development that deserves the full support of the United States government.

As our fifth largest trading partner and the thirteenth largest trading entity in the world, Taiwan has achieved significant economic status. Clearly Taiwan is an important participant in the world economy with its foreign exchange reserves ranking second in the world. It would serve U.S. interests and strengthen the global trading system to grant Taiwan GATT membership.

It is clear that Taiwan is willing to assume the international responsibilities and obligations of a GATT member by applying with developed-nation status. Taiwan has taken important trade-liberalization steps, including improvement of intellectual property protection and significant tariff reductions. Having applied under the name "Customs Territory of Taiwan, Penghu, Kinmen and Matsu," Taiwan is indicating that it limits its application to those areas over which Taiwan has autonomy in the conduct of foreign trade.

I urge you to support the creation of a GATT Working Group and to request that the GATT Secretariat place Taiwan's application on the agenda of the next GATT Council meeting. This is an important step in helping Taiwan assume its deserved place in the international trade community.

Sincerely,

Bill Nelson

BN:ee

IN RESPONSE, PLEASE REPLY TO:
WASHINGTON OFFICE
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WASHINGTON, D.C. 20515-0912
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KISSIMEE OFFICE (407) 847-1280
MERRITT ISLAND OFFICE (407) 453-9524
TITUSVILLE OFFICE (407) 268-1776
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MAR 29 1990

The Honorable Bill Nelson
U.S. House of Representatives
Washington, D.C. 20515-0912

Dear Congressman Nelson:

The President has asked me to follow-up on the White House response to your letter of February 27, 1990, concerning the application by Taiwan for accession to the General Agreement on Tariffs and Trade (GATT). I share your view that Taiwan's decision to submit its request for GATT contracting party status on January 1, 1990, is an important development, and that the U.S. Government should support Taiwan's application. I believe that we have a unique opportunity to bring under GATT discipline one of the last major market-price based trading entities outside the GATT system, and to foster its future development along GATT lines. Clearly, this will greatly benefit U.S. bilateral and multilateral trade goals.

Taiwan has tried to avoid political controversy by applying as the Customs Territory of Taiwan, Penghu, Kinmen and Matsu, rather than under a more politically contentious title. Nevertheless, this request presents political difficulties. While the GATT does not require political sovereignty for GATT participation, the People's Republic of China strongly objects to consideration of Taiwan's request for GATT membership, equating this with political recognition of the Taiwan regime. As a consequence, the GATT Contracting Parties have delayed placing the issue on the Council agenda in order to reflect on the application and on how it can be addressed in the GATT.

I continue to believe that the eventual accession of Taiwan to the GATT will greatly benefit U.S. commercial and trade policy interests, and the international trading system as a whole. We will work with other GATT contracting parties to address the problems that face eventual initiation of the GATT review of Taiwan's request, and we seek your continued support for our efforts.

Sincerely,

Carla A. Hills

CAH:ckj
WNewkirk/cklein:cj 3/26/90
chron + 3 + Gatt Affairs
fn:prelim.nelson.letter cn: 90071019