Discussion

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DISCUSSION

Prof. Oldman to Mr. Solter: The Chinese find it useful and sometimes necessary to defend their actions relating to the United
States in American administrative agencies. Do Americans who have disputes with Taiwan have the same ability to appear before Taiwanese agencies?

MR. SOLTER: A lot of decisions in Taiwan are made by administrative agencies. A foreign investor can appeal his decision from a lower administrative agency to a higher one. For example, if a request or application of a foreign investor is turned down by the Ministry of Economic Affairs, the decision can be appealed to the Executive Yuan. This is an appeal from the ministerial level to the cabinet level. In some cases one can make an appeal from the cabinet level to an administrative court.

PROF. OLDMAN: Is adjustment assistance one of the forms of relief asked for by U.S. groups adversely affected by imports?

MR. SOLTER: It is generally believed that adjustment assistance doesn't provide a workable solution to imports. The passage of the Trade Act in early 1975 has not altered this belief.

MR. WEBSTER: Adjustment assistance is inadequate as now funded.

MR. SOLTER: You may be interested to know that President Carter has announced that there will be legislation within 90 days to amend adjustment assistance.

PROF. LAING: There is a low limit on adjustment assistance loans that can be made available to firms. One million dollars is the limit on direct loans and three million is the limit on guarantees. I think adjustment assistance can be a good alternative to harsh tariffs.

MR. WEBSTER: Adjustment assistance to workers is different from adjustment assistance to firms. It is unlimited and goes through labor unions.

QUESTION [speaker unidentified]: In the ROC are there regulations for foreign technology to be transferred to the local people so that the developing state can become independent?

DR. Li: The ROC wants advanced technology, and it encourages the transfer of technology in the form of certain tax benefits. If a foreign investor has advanced technology, it is entitled to the free import of capital equipment. If this is not met, it can apply for five years of tax deferral. Also, a person will receive a royalty for importing management know-how.

PROF. OLDMAN: There are great tax benefits in the ROC.

QUESTION [speaker unidentified]: Why is the ROC not a member of GATT?
MR. L. CHAO: Although the ROC was a member of GATT, I could not recall when the ROC terminated her membership.* Mr. Solter commented, however, that the ROC gets the advantages of most favored nation status even though it is not a member of GATT.

QUESTION [speaker unidentified]: How serious are the U.S. complaints about Taiwan tariffs on imported products?

ANSWER: The complaint particularly applies to consumer and electronic machinery. An American businessman in Taiwan who made the complaint said that the import duty makes it impossible for him to import to Taiwan. There is no final outcome as yet, but the U.S. has suggested to the ROC that the complaint perhaps has merit as to certain products.

Professor Oldman closed the second session by commenting on the great complexity of the issues involved in the interaction of the ROC's political and economic position in the world. He thanked the speakers for the clarity they brought to these issues and adjourned the session.

* See the discussion in Session III at p. 204 infra.