

JUSTIFICATION FOR TERMINATION OF THE SUSPENSION ON THE OBLIGATION OF FUNDS FOR NEW ACTIVITIES OF THE TRADE AND DEVELOPMENT AGENCY WITH RESPECT TO THE PEOPLE'S REPUBLIC OF CHINA

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COMMUNICATION

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

HIS REPORT TO TERMINATE THE SUSPENSION ON THE OBLIGATION OF FUNDS FOR ANY NEW ACTIVITIES OF THE TRADE AND DEVELOPMENT AGENCY WITH RESPECT TO THE PEOPLE'S REPUBLIC OF CHINA



JANUARY 20, 2001.—Referred to the Committee on International Relations and ordered to be printed

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THE WHITE HOUSE,  
*Washington, January 13, 2001.*

Hon. J. DENNIS HASTERT,  
*Speaker of the House of Representatives,*  
*Washington, DC.*

DEAR MR. SPEAKER: I hereby transmit a report including my reasons for determining, pursuant to the authority vested in me by section 902 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101-246), that it is in the national interest of the United States to terminate the suspension on the obligation of funds for any new activities of the Trade and Development Agency with respect to the People's Republic of China.

Sincerely,

WILLIAM J. CLINTON.



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The termination of the suspension on the obligation of funds for new activities by the Trade and Development Agency (TDA) with respect to the PRC is in the U.S. national interest because it would:

Support creation of higher paying, export-based jobs through improvement in the ability of U.S. exporters, including small and medium-sized entrepreneurs, to compete in the China market: The EU, Japan, and our other major commercial competitors have extensive programs similar to TDA, which they use effectively in support of their companies' efforts in China. Our reactivation of TDA for China will help improve competitiveness for our companies, a key objective with China's expected accession to the World Trade Organization. This benefit would be of significance to the growing number of small- and medium-sized U.S. firms that look to commercial opportunities in China. Reactivating TDA for China will also reduce our growing trade deficit with the PRC. Prior to its suspension in 1989, TDA had obligated about \$24 million for projects in China. To date, over \$1.4 billion in U.S. exports have been documented as associated with those projects.

Support our strategy of comprehensive engagement with China: TDA activities in China—which will concentrate initially on the areas of energy and the environment—would reflect our humanitarian concern for the basic human needs of the Chinese people, who suffer from some of the worst pollution in the world. This benefit would also increase our ability to address global environmental problems that can affect the health and well-being of Americans given China's position as one of the largest emitters of greenhouse gases. TDA activities in other areas, such as air traffic control, can improve air safety for Chinese travelers and the half million Americans who visit China each year. Reactivation of TDA would be consistent with the improvement of relations resulting from the exchange of state visits between Presidents Clinton and Jiang. TDA activities will assist our efforts to engage China on important U.S. foreign policy interests, including human rights.

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