

The President's Council of Advisors on Science and Technology supports policies that encourage R&D and advanced manufacturing in the United States. A January 2004 report notes that the computer and electronics sector is a leading employer in the United States, and ranks very high in terms of value-added. The report notes as well the rise of China as an electronics producer:

... China's rise as a high tech manufacturer has caused increasing concerns. China is a large emerging market and its industrial and economic policies associated with expanding this sector are likely to continue indefinitely.

This report also notes the variety of Chinese programs aimed at expanding the electronics sector, including numerous tax incentives, currency valuation policies, industrial parks, and employment incentives.

The U.S. Semiconductor Industry Association shares this concern. SIA recently urged U.S. policy makers to keep chip fabrication in the United States by "insuring that the U.S. remains an attractive locations for chip manufacturing. . . . If leading edge moves offshore because foreign governments have created more attractive investment environments, over time R&D facilities for manufacturing processes are likely to follow."

SIA has documented the substantial contributions of U.S. semiconductor manufacture to the U.S. economy, in a number of reports, including as in the following illustration:

The semiconductor industry, which is the largest value-added sector in the U.S. economy, provides high quality employment to hundreds of thousands of U.S. citizens and is projected to grow at a compound annual rate of fifteen percent for the next several years. The growth will create opportunities for new applications that will spawn new industries and it will ensure the continued vitality of many of the information technology industries.

SIA officials emphasized the potential of China in particular to attract leading edge semiconductor manufacturing in recent testimony before the U.S.-China Economic and Security Review Commission:

Semiconductors are the building blocks for American competitiveness in a broad range of high technology goods—from computers to medical technology. A strong and vibrant semiconductor manufacturing industry is a key part of a healthy information technology ecosystem—it supports everything from research and development to a robust university capability in microelectronics. . . . the members of SIA also believe it is vital to retain leading edge manufacturing capability here in the United States. . . .

China is growing into a major force in the information technology arena both as a customer and as a competitor. Given the size, growth, and potential of the Chinese market, it is essential that U.S. semiconductor firms have the chance to compete fairly.

A new report prepared for the U.S.-China Economic and Security Review Commission finds that 1.5 million U.S. job opportunities have been lost as a result of the ballooning U.S. trade deficit with China. As noted at the outset in this paper, more than one-quarter of job losses during 2001–2003 were in electronics. China's higher-value electronics exports, along with other products that require more skilled labor and advanced technologies, are growing much more rapidly than are China's lower-value, labor-intensive exports. The report notes that China's exports to the United

States reached \$32 billion, a figure that corresponds to the entire U.S. trade deficit in advanced technology products. Indeed, the U.S. exports and imports of advanced technology products as a whole are in balance; however, the U.S. has a significant and rising trade deficit in such products with China.

U.S. TAXPAYER SUBSIDIES TO THE CHINESE SEMICONDUCTOR PRODUCERS ARE UNJUSTIFIED ON ANY GROUNDS

As discussed above, the Chinese semiconductor industry does not need U.S.-taxpayer-supported financing. The Chinese industry benefits from advantageous labor costs, a dynamic internal market, a critical mass of component and finished goods production, and a multiplicity of Chinese government supports. The industry is literally booming, with investment flowing from a multitude of sources. SMIC in particular is a formidable competitor on a global scale.

In addition, from a policy perspective, what is the U.S. interest in hastening the pace of expansion within the Chinese electronics sector? This expansion comes at considerable costs to U.S. industries. U.S. policy makers have in fact long recognized the value to the broader economy of maintaining high-value manufacturing and their associated R&D activities in the United States. This Administration has consistently been given this advice by its senior science and technology specialists.

The economic reality may be that China's electronics industry will continue to strengthen, but that outcome should be market-driven. U.S. taxpayer subsidies to enhance advanced Chinese semiconductor manufacturing capabilities are unjustified on any grounds.

#### PERSONAL EXPLANATION

##### HON. MARK GREEN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 28, 2005*

Mr. GREEN of Wisconsin. Mr. Speaker, on rollcall No. 322 I was detained due to an aircraft malfunction.

Had I been present, I would have voted "yes."

CONGRATULATING CHRISTI LEHMAN ON HER PROMOTION TO VICE PRESIDENT AT CONNOLLY & COMPANY

##### HON. HENRY CUELLAR

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 28, 2005*

Mr. CUELLAR. Mr. Speaker, I rise to recognize Christi Lehman in gratitude for her service, respect for her work, and congratulations on her promotion to Vice President at Connolly & Company.

I am also personally indebted to Christi for her help in 2004. Christi handled media relations for me with an adept hand and a cool maturity. Her ability to generate new ideas and pitch them to the appropriate media is consistently rewarded with tremendous results.

Brought on board as a media expert for Connolly & Company in 2002, Lehman excels in public relations through her creative ap-

proach and unique style. She has coordinated numerous media events and widely covered press conferences. Recently, she has focused on companies or individuals involved in litigation—ensuring their public image and message is protected and promoted.

I am honored to recognize Christi Lehman on her promotion to Vice President at Connolly & Company. She is a gifted writer who understands the media, but most importantly, knows how to produce real results. I continue to appreciate her support on both a personal and professional level, as I congratulate Christi on her outstanding work.

#### TRIBUTE TO CHRISTIAN AGUIRRE

##### HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 28, 2005*

Mr. WAXMAN. Mr. Speaker, I rise today to pay tribute to a courageous young man, Christian Aguirre, whom I am proud to represent in Congress. Christian is 12 years old and attends Christopher Columbus Middle School in Canoga Park, California.

Christian was diagnosed with Hodgkin's disease 2 years ago and has bravely undergone a series of treatments, many of them painful, since that time. Through it all, Christian has maintained his sense of humor and has met his challenge with grace and a remarkable outlook.

I know that his family, friends, doctors, nurses and teachers are delighted that Christian is doing well and has been able to return to school. The American Cancer Fund for Children recently awarded Christian with the "Courageous Kid" award. I want to congratulate him on receiving this award and ask my colleagues to join me in applauding Christian for his optimism and courageous resolve during his battle with Hodgkin's disease.

#### IN RECOGNITION OF TOP STUDENT HISTORIANS

##### HON. DIANA DeGETTE

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 28, 2005*

Ms. DeGETTE. Mr. Speaker, I rise to honor the top student historians in the State of Colorado. Colorado History Day, an affiliate of National History Day, is a year-long education program that engages students in grades 6–12 in the process of discovery and interpretation of historical topics. Students produce dramatic performances, museum-style exhibits, multimedia documentaries, and research papers based on their own research related to a broad annual theme. Their projects are then evaluated in a series of local and state competitions, culminating in an annual national competition. Nationwide, more than 800,000 students are involved in the National History Day program. More than 4,000 Colorado students participate in History Day activities at the local level each year, and they represent every type of Colorado community, from the cities and suburbs of the Front Range to rural plains towns and mountain communities. At the Colorado History Day State Competition