

IN HONOR OF THE CLEVELAND CHAPTER OF THE WORLD FEDERATION OF HUNGARIAN VETERANS

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 2003

Mr. KUCINICH. Mr. Speaker, I rise today in honor and recognition of the Cleveland Chapter of the World Federation of Hungarian Veterans, on the occasion of their 50th Annual Charity Ball.

U.S. veterans of Hungarian heritage founded the organization in 1946, just after WWII. A Cleveland Chapter was formed in 1951, with objectives mirroring those of the national organization—to promote patriotism, and to honor and keep alive the memories of those who suffered and gave their lives to preserve our freedoms and democratic ideals.

Additionally, the Cleveland Chapter has focused on the preservation of the Hungarian culture, customs and history for the younger members of our community, and for generations to come. Moreover, the membership has consistently demonstrated a willingness to lend a helping hand. Over the years, the Cleveland Chapter of the World Federation of Hungarian Veterans has assisted other members and their families with moral and financial support whenever needed.

Mr. Speaker and Colleagues, please join me in tribute and recognition of the Cleveland Chapter of the World Federation of Hungarian Veterans as they celebrate their culture once again at the 50th Annual Charity Ball. Today we honor the significant sacrifices each of you has made to preserve our freedoms, and we also pay tribute to your organization for preserving the rich fabric of Hungarian culture and tradition within our community.

INTRODUCTION OF THE ROUND II
EZ/EC FLEXIBILITY ACT

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 2003

Mr. CAPUANO. Mr. Speaker, I rise in support of the Round II EZ/EC Flexibility Act of 2003, bipartisan legislation I introduced today with my colleague from New Jersey, Mr. LOBIONDO.

The bill we introduced makes a number of small changes to the EZ/EC program that will provide these communities with greater flexibility in administering their economic development plans. Specifically, the bill authorizes \$100 million in appropriations for each of the fifteen urban Empowerment Zones, \$40 million for each of the five rural Empowerment Zones, and \$3 million for each of the twenty rural Enterprise Communities.

The legislation also ensures that Empowerment Zones and Enterprise Communities that apply for one of the new Renewal Community designations will continue to receive the EZ/EC funding they were promised in 1999. Finally, the bill allows these communities to use their funding as the local match for receiving grants from other federal programs. This will help EZ/EC communities leverage additional

resources to undertake economic development initiatives and provide job training and other vital social services.

Mr. LOBIONDO and I have worked hard over the last several years to secure funding for the communities across the nation that were designated as Round II Empowerment Zones and Enterprise Communities. We both know first hand the successes of the EZ/EC program, and we will continue to work together in a bipartisan manner to ensure that these communities are allocated the resources they need to bring economic opportunity to all Americans.

A SPECIAL TRIBUTE TO CHARLES
L. DODGE FOR HIS DEDICATED
SERVICE TO THE CITY OF
FOSTORIA

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 2003

Mr. GILLMOR. Mr. Speaker, it is with great pride that I rise today to pay special tribute to an outstanding gentleman from Ohio. Charles L. Dodge began his employment with the City of Fostoria on October 21, 1974, as a laborer in the water distribution facility. He served under the leadership of Mayor Ken Beier and was appointed Superintendent of Utilities on January 1, 1980.

Charles' career with the City of Fostoria grew rapidly. He was a very dedicated, knowledgeable employee who aspired to do his best, no matter what was asked of him. Under the leadership of Mayor James Bailey, Charlie was named to the position of Assistant to the Mayor on June 1, 1996.

Mr. Speaker, Charlie's position advanced once again because of his experience and knowledge. He was named the Compliance, Records, Economic Development & Infrastructure Administrator, thus working with managed compliance issues, i.e. OSHA, EPA, ADA, Enterprise Zone Manager, State Issue II (infrastructure) and Project Manager.

During his employment with the City of Fostoria, Charles also had a very dedicated military career with the United States Army. Mr. Dodge served in the Army from 1970–1973 in the Clerk General Course, taking him to the Republic of Vietnam and many other areas. His military career ended in 1993; he retired as the First Sergeant in his Army National Guard Medical Corps unit.

Charles L. Dodge is a devoted father of three children: Laura, Kevin and Matthew. A man committed to his country and community; Charlie was an outstanding employee and contributor to the City of Fostoria.

Mr. Speaker, Charles Dodge will leave big shoes to fill as he enters into retirement. His wisdom, honesty and forthrightness are attributes to which all public servants should aspire. He has set an example for everyone on how to live a life of service, putting the greater interests of the community before one's own.

Mr. Speaker, I ask my colleagues to join me in paying special tribute to Charles L. Dodge. Our communities are served well by having such honorable and giving citizens, like Charlie, who care about their well being and stability. We wish Charles, his wife, Deborah, and their family all the best as we pay tribute to one of our state's finest citizens.

HONORING THE 75TH ANNIVERSARY OF THE DEDICATION OF THE NILES LIBRARY

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 2003

Mr. STARK. Mr. Speaker, I rise today to pay tribute to the historic Niles Library, located in Fremont, California, on its 75th anniversary.

Although the library as we know it today was officially dedicated in 1928, the first Niles Library actually opened its doors 38 years earlier in the back of Mr. Dickey's general store. In 1900, the growing book collection became incorporated as the Niles Free Public Library Association and was given a permanent home in Niles' former Southern Pacific Railway station.

In 1927, Mr. and Mrs. William H. Ford donated \$30,000 to construct a new building for the library. On January 14, 1928, the library was dedicated in honor of Mrs. Ford's mother, Jane R. Clough. Future Supreme Court Chief Justice Earl Warren, who was then Alameda County District Attorney, was present at the dedication. In 1936, the Niles Free Public Library Association transferred ownership of the Jane R. Clough Memorial Library to the Alameda County Library system.

In recent years, the library's collection has grown, but it remains a small and friendly neighborhood library. Today, the library's collection boasts over 11,000 items, including books, magazines, newspapers, videos, CDs, audiocassettes, and several important pieces of artwork. In 1970, John E. Kimber donated Poppy Nymph, a statue by renowned California artist Jo Mora. For the library's 50th anniversary, the Fremont Friends of the Library commissioned Fremont artist Hal Booth to create a commemorative painting, which is still on display at the library.

This year marks the 75th anniversary of the historic library's dedication. A ceremony featuring a speech by California State Librarian Kevin Starr and entertainment from Niles Elementary School students will be held on February 8, 2003 in celebration of this significant milestone.

TRIBUTE TO DUANE NOLAND

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 2003

Mr. SHIMKUS. Mr. Speaker, I rise today to honor Senator N. Duane Noland. He has served in the Illinois General Assembly since 1990, serving eight years in the House of Representatives and four years in the Senate.

He served with distinction and honor in both chambers, most recently being selected as Assistant Majority Leader in the Senate.

He graduated from Blue Mound public schools and the University of Illinois where he earned a Bachelor of Science degree in Agriculture Education/Economics.

In his non-legislative life, Senator Noland spends many hours helping farm his family's seventh generation centennial farm.

Senator Noland also works as assistant vice president/marketing specialist with Hickory Point Bank & Trust in Decatur.

Senator Noland has worked to ensure state government lives within its means, promote a strong agricultural economy while balancing the needs of rural and urban residents, and preserve quality of life through safe schools legislation, tough anti-crime measures and bills to help senior citizens remain independent.

He has helped pass such significant legislation for our rural communities as the ban on MTBE, the establishment of drummer silty clay loam as our state soil, the AgriFIRST value-added agriculture incentives, and Route 51 expansion.

He is a board member for the American Red Cross, a former board member of the Illinois Farm Bureau, the Illinois Corn Growers Association, and the Lincoln Trails Council of the Boy Scouts of America, and a member of the Millikin University Board of Trustees.

He has been honored by numerous organizations including the Illinois Health Care Association, Baby Talk, Illinois Farm Bureau, ABATE, Jaycees, Chamber of Commerce for Decatur and Macon County, and the American Soybean Association.

Senator Noland was born and raised in Blue Mound, Illinois where he met his wife, Tina Beckett Noland, and where they now raise their sons Grant and Blake.

N. Duane Noland will be sorely missed and we wish him all the best in his future endeavors.

SMALL BUSINESS AND THE PRESIDENT'S ECONOMIC GROWTH PACKAGE

HON. DONALD A. MANZULLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 2003

Mr. MANZULLO. Mr. Speaker, yesterday the House Small Business Committee held a roundtable with sixteen small business owners and representatives on the President's Economic Growth Package. The small business groups were unanimous in their support for the small business provisions of the President's proposal.

Specifically, the small business groups cited the acceleration of the tax rate reductions enacted as part of the Economic Growth and Tax Relief Reconciliation Act of 2001 and the expansion of the small business expensing provisions for new investment as vital. According to the participants, the President's proposal would enable them to purchase more equipment immediately. In addition, the capital freed up by the acceleration of the tax rate reductions would permit the vast majority of small businesses to reinvest that money into their businesses.

At the roundtable, we were honored to have the Honorable Hector V. Barreto, Administrator of the U.S. Small Business Administration, present the President's Economic Growth Package. In my opinion, Administrator Barreto's statement was an exemplary testament on the state of small business in our economy today and a compelling account of why small businesses need economic growth assistance. Small business creates jobs. The

President's proposal will ensure short-term and long-term growth for small business and ensure sustained growth for our economy.

The Administrator's statement was so compelling that I wish to share it with my colleagues.

STATEMENT OF HECTOR V. BARRETO, ADMINISTRATOR U.S. SMALL BUSINESS ADMINISTRATION

Good Morning, Chairman Manzullo and distinguished Members of the Committee. I am pleased to be here this morning to participate with all of you in this roundtable discussion on the small business provisions of the President's economic growth package. It's good to be among so many friends who share the President's views on these important changes.

Small businesses are the backbone of our economy—they employ more than half the private work force, generate about 50% of the nation's gross domestic product, and create two-thirds to three-fourths of the net new jobs. And research shows that the vast majority of these new jobs are established in the first two years of the business. Small business entrepreneurs are key to our economic vitality, and the President's plan offers specific relief and the opportunity for them to grow and create more jobs for American workers.

This roundtable is a perfect way to talk about the President's plan and narrow in on making sure government policy helps small business. This format is one that the President personally believes in. I have been with the President quite a few times over the past year at roundtables where the President solicits feedback and support from the small employer community. From the economic summit in Waco, TX, to Louisville, KY, to St. Louis, MO, to Alexandria, VA—the President's purpose is clear—to hear from the employer community about what will work best for this country.

The President has called on Congress to act swiftly to pass his economic growth package. Your voice will be critical to this effort and we thank you for your commitment and active participation in these deliberations.

Through a combination of income tax rate reductions, an increase in allowable deductions for expenses and the permanent repeal of the estate tax, American small business owners and their families will get to keep more of what they earn. The President has pointed out that under his plan, "a family of four with an income of \$40,000 will receive a 96 percent reduction in federal income taxes."

That's nearly a complete elimination of that family's federal income tax burden and translates to more disposable income to be invested, saved or spent.

For small business owners, many of whom are subject to personal income tax rates on their business, the reduction in rates will mean an increase in capital to expand their business, hire new workers and provide new or improved products. As proposed, the reduction in the top marginal rate scheduled to take effect in 2006 (to 35 percent) would take place retroactively in 2003, resulting in tax cuts averaging \$2,042 for some 23 million small business owners. These hardworking entrepreneurs would receive 79 percent (about \$10.4 billion) of the \$13.3 billion in tax relief from accelerating the reduction in the top tax bracket. Since small business owners are so closely tied to the personal tax rates, lowering individual marginal rates will have a positive affect on the ability of many entrepreneurs to expand. As Princeton Univer-

sity Economist Harvey Rosen stated in a May 2001 report to the SBA, "Taxes matter. As tax rates go up, entrepreneurial enterprises grow at a slower rate, they buy less capital, and they are less likely to hire workers."

Additionally, a proposed 200% increase in year one expensing deduction for new investments—"Section 179 expensing"—would encourage small business owners to purchase the technology, machinery and other capital equipment they need to expand. The amount of investments that may be immediately deducted—beginning in 2003—by small businesses would increase from \$25,000 to \$75,000. This new amount is permanent and indexed to inflation.

Expanding the eligible write-offs for small business investments has strong support in the small business community. All White House Conferences on Small Business have recommended increases in direct expensing. Moreover, SBA's Office of Advocacy has long supported proposals to increase such write-offs and testified in support of this change before the Senate Finance Committee in March of 2001.

From an economic development perspective, this is more than a simple tax code change. There have been several studies that have found links between taxation and investment. A 1998 Bureau of Economic Research paper concluded that marginal tax rate changes significantly change investment spending patterns. The study suggested that tax rate changes would alter the cost of capital for new investment decisions, and that the lower tax rates would make more projects viable. And by making this change permanent and predictable for small businesses, it will yield greater results as capital spending patterns rise from year to year.

According to SBA's Office of Advocacy, there are over 22 million small businesses in the United States. [Note that of these about 16 million have no employees.]

If, with the President's plan, on average, they increased their equipment purchases by only \$10,000, almost \$230 billion would be pumped into the economy annually, creating jobs and expanding the tax base. As the President stated in his recent visit with me to a flag manufacturing company in Alexandria, VA, "this is a plan that says if you're willing to take risk and invest more, that there's a benefit for doing so. It's an incentive for small business to increase."

The President has also proposed the permanent repeal of the estate tax so small business owners will no longer be faced with the prospect of leaving their family an insurmountable tax bill along with the family business—and the difficult decision of whether or not to sell the business to pay the tax. Instead of forcing their heirs to sell the business to pay the government, the repeal will provide certainty for family-owned small businesses that want to transfer the business to the next generation of entrepreneurs.

And finally, the President's plan to abolish the double tax on dividends will help businesses to grow and create jobs by reducing the cost of capital. Most dividends received by shareholders will be tax free. Small businesses that retain corporate earnings will not face capital gains taxes on the increase in the value of the firm from retained earnings that could have been distributed as dividends. This will benefit the owners of 2 million "C" corporations, including many small corporations.

Our President and Administration are strongly committed to helping small business by removing or reducing barriers that