

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.

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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

stand in the way of faster economic growth. Besides the significant changes outlined in the plan, let me take this opportunity to mention a couple of other items the President talks about in his agenda for small business—streamlining small business regulations and the need for tort reform to curtail frivolous lawsuits.

We know that small businesses are hardest hit by regulations. Firms employing fewer than 20 employees face an annual regulatory burden of \$6,975 per worker—60 percent more than a firm employing 500 or more people. And tax compliance costs are twice as burdensome on small businesses compared with their larger counterparts. The Federal government has a new web site—[www.regulations.gov](http://www.regulations.gov) that makes it easier to participate in Federal rulemaking. Small businesses can review and submit comments on proposed regulations that are published in the Federal Register. Americans spend nearly a trillion dollars a year complying with state and federal regulations, so having this website provides an opportunity to hear from those unfairly burdened.

Tomorrow, I will be testifying before the Senate Committee on Small Business and Entrepreneurship on another Administration priority—the need for Congress to pass Association Health Plan (AHP) legislation to help small business have access to affordable health care for their employees. Another issue that the community has been very proactive in pursuing.

Taken together, these changes send a strong signal that this Administration understands that our economy can thrive only if our small businesses thrive. As the economy continues to trend upward, America's small businesses can be counted on to continue to provide strength, resilience and optimism. Thanks to the President's aggressive agenda, small business owners can count on an environment in which their efforts will be encouraged and their success will be sustained.

Thank you again for including me in today's discussion, and I look forward to working with you in the months ahead to achieve passage of the President's economic growth plan.

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#### PERSONAL EXPLANATION

### HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 5, 2003*

Mrs. WILSON of New Mexico. Mr. Speaker, I rise today to submit for the RECORD how I would have voted on those measures from the week of January 27, 2003. I was in Albuquerque, NM, last week as a family member underwent surgery and unable to make it to Washington, DC.

On rollcall 13, with regard to H.J. Res. 26, Honoring the contributions of Catholic schools, offered on January 27, 2002, had I been present I would have voted in favor of the motion to suspend the rules and pass the bill.

On rollcall 14, with regard to H.J. Res. 25, Supporting efforts to promote greater awareness of the need for youth mentors and increased involvement with youth through mentoring, offered on January 27, 2002, had I been present I would have voted in favor of the motion to suspend the rules and pass the bill.

On rollcall 15, with regard to H.J. Res. 13, Making further continuing appropriations for the fiscal year 2003, and for other purposes,

offered on January 28, 2002, had I been present I would have voted in favor of the motion to table the appeal of the ruling of the chair.

On rollcall 16, with regard to H.J. Res. 13, Making further continuing appropriations for the fiscal year 2003, and for other purposes, offered on January 28, 2002, had I been present I would have voted for the motion to recommit with instructions.

On rollcall 17, with regard to H.J. Res. 2, Making further continuing appropriations for the fiscal year 2003, and for other purposes, offered on January 29, 2002, had I been present I would have voted for the motion to instruct conferees.

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#### IN HONOR OF THE SISTERS OF THE HOLY SPIRIT

### 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 Sisters of the Holy Spirit, as they celebrate their 70th anniversary in holy ministry and service to others.

Founded in 1932 by Mother Josephine Finatowicz, the Sisters of the Holy Spirit began their legacy of caring for our most vulnerable citizens in two humble homes. Within those walls, the Sisters lovingly cared for the parentless children of our community. Later, the Catholic Diocese of Cleveland approached the Sisters with a request to provide a home for older adults who could not afford adequate housing.

This vision was the dream of Monsignor Gilbert Jennings, who left his specific request on the pages of his last will and testament. After his death, the Sisters agreed to fulfill his vision of the creation of a caring home for seniors. The 13 dedicated women of the Sisters of the Holy Spirit moved from their Cleveland neighborhood to their new convent built on the rolling farmland of Granger Road in Garfield Heights.

The Jennings Center for Older adults has evolved from a single story wood frame building to an extensive senior housing campus. From the beginning, the Sisters ran everything from the cooking to the nursing, to the administrative work. As in years past, the Sisters of the Holy Spirit continue to heal the hearts and souls of the residents of the Jennings Center.

Mr. Speaker and Colleagues, please join me in honor of the Sisters of the Holy Spirit. Their commitment, kindness and caring for our children and our elderly have served to lift the spirits of countless individuals, families, and our entire community. We are blessed to have these angels—the Sisters of the Holy Spirit, bringing us light and hope, and asking nothing in return.

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#### IN REMEMBRANCE OF JULIAN FRANCIS DEPREE, JR.

### HON. MARK STEVEN KIRK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 5, 2003*

Mr. KIRK. Mr. Speaker, it is with great sadness that I rise today to say a few words

about the life of Julian Francis DePree, Jr. (Jeff) who died suddenly over the weekend from natural causes. He proudly served his country, was a successful and ethical businessman, a loyal husband, and a devoted father.

Jeff DePree, in the eyes of his family and friends, had a "larger than life" personality, but, first and foremost, he was a caring father to his four children and a devoted husband to his wife Joan. Jeff was born on March 9, 1944, in Mt. Kisco, New York. He later graduated from Trinity College in Hartford, Connecticut, and received his Masters degree from Columbia University in New York City.

Jeff served his country in Vietnam as an Intelligence Officer in the 199th Infantry Brigade. He survived two tours of duty and was awarded two Bronze Stars for his service as well as an Air Medal. Jeff was also an avid sportsman and conservationist enjoying golf, boating, fishing, and racquet sports, a love for which he passed onto his children.

Jeff was also a keen businessman. He was co-founder of a financial services company that specialized in leasing and equity financing for major industrial projects. He became an industry leader among structured finance specialists and advised many of the nations largest finance companies on their investments. Jeff was very active in local community affairs, having served on the Lake Forest Hospital Board, as well as the City's Cemetery Commission.

Most of all, Jeff brought great fun to everyone. He was an excellent storyteller, singer, guitar player and dancer. When in the company of Jeff, his engaging and entertaining personality was infectious. Jeff was indicative of thousands of Americans who quietly go about their daily lives contributing to the greatness of our nation through their personal character and conduct.

Jeff's passing is an immense loss to his family and his community. His life was cut short, but I am certain his children will carry on his legacy in a way that would make their father very proud. I offer my condolences to his wife Joan, and his children Katie (Jess), Austin, Randy, Spencer and his grandson, William. May they take comfort in knowing they have been blessed to have had such a wonderful person in their lives. He will be greatly missed.

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#### TRIBUTE TO WILLIAM L. "BILL" O'DANIEL

### HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 5, 2003*

Mr. SHIMKUS. Mr. Speaker, I rise today to honor William L. "Bill" O'Daniel of Mt. Vernon was appointed to the Illinois Senate in 1985 and was elected by an overwhelming margin in 1986 and has served this body with distinction throughout his eighteen years as a member.

During his five terms in the Senate, Senator O'Daniel, served as chairman of the Senate Agriculture and Conservation Committee, as Democratic Caucus Chair, and most recently as Democratic spokesperson of the Senate Agriculture and Conservation Committee.

Senator O'Daniel has also served on the Committees on Appropriations I, Elections and