

Manzullo in Seward to promote tax break plan



Eddy Montville/Rockford Register Star

U.S. Rep. Don Manzullo, R-Egan, announces his legislation Wednesday to encourage U.S. companies to keep plants and jobs in America. He was at Seward Screw Products Inc. To the right of Manzullo is company President Dale Falconer. **Please see 11A**

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4-24-03



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U.S. Rep. Don Manzullo talks with workers (from left) Jerry Ahlquist, Kevin Bielema and Tom Gauthier at Seward Screw Products Inc. in Seward Wednesday after announcing his legislation to give U.S. companies a tax incentive to keep plants and jobs in America.

Manzullo pitches plan to keep factories in U.S.

The bill would reduce income taxes for manufacturers.

By GARY B. GRAY
Rockford Register Star

SEWARD — With dozens of factor workers behind him, U.S. Rep. Don Manzullo stood on Seward Screw Inc.'s shop floor Wednesday and pronounced that government and business should export products, not jobs.

Manzullo pitched proposed legislation that would reduce corporate income tax as an incentive for manufacturers to keep operations and jobs in the United States. Manufacturers would see their income tax reduced by as much as 10 percent to 31.5 percent.

"Everyone in America should be interested in this," he said. "I believe this is the best of any alternative out there to bring relief to our manufacturing sector. In the face of all the manufacturing job losses, this bill says, 'OK, we're going to bring jobs back.'"

Manzullo's so-called Jobs Protection Act appeals to factory workers, and it has won the backing of major corporations such as Caterpillar, United Technologies Corp. and its subsidiary Hamilton Sundstrand, which employs 2,900 people in Rockford.

But universal support for Manzullo's bill is less certain among businesses and lawmakers in Congress.

Businesses now enjoy tax breaks for having overseas

operations, which they say lets them compete equally with their foreign competitors.

Fred Young, president of Forest City Gear Inc. in Roscoe, called Manzullo's tax incentive admirable but illogical.

"I don't have tons of sympathy for the American manufacturers, and I know that puts me in an unpopular position," Young said. "We all need a level playing field on which to compete, but why penalize U.S. companies that have foreign plants? If McDonald's wants to sell hamburgers, what's wrong with them having a hamburger stand in Europe or Asia?"

If the corporate income-tax rate is reduced, Young said, he'd want some assurance that companies invest the money in equipment and training and not just "stuffed in some guy's pockets."

An alternative proposal by U.S. Rep. Bill Thomas, chairman of the House Ways and Means Committee, would provide tax breaks to multinational companies for their overseas operations. Coca-Cola, Ford and Motorola are among corporate backers of the plan.

Rob Rieger, vice president of Bergstrom Inc. in Rockford, said both proposals have



Barry Lawver



Dale Falconer



Don Ludington

their merits.

The company makes heating and cooling units for large trucks at plants in Rockford, Europe and China.

"We're an international corporation, but over 80 percent of our operations are in the United States," he said. "The devil is in the details, and the dynamics of global economics are changing.

"I want to study the particulars more closely, but I guess it comes down to which plan does the least amount of damage," he said.

Dale Falconer, president of Seward Screw Inc., said the legislation would help companies keep jobs at home.

"We all know someone who's been affected," Falconer said. "The money saved through this bill will help companies like Seward retrain our workers and improve our products."

Seward machinist Barry Lawver wants to see the government do more to help factories.

"We used to be so strong," Lawver said of American manufacturers. "It seems like that's slipped away because there's so much pressure to stay competitive."

Fellow machinist Don Ludington added: "This pretty much guarantees I'll have a job. Incentives are about the best way to go about this."

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