

“(2) RESEARCH AND DEVELOPMENT EXPENDITURES.—The term ‘research and development expenditures’ means any expenditures which may be treated as expenses under section 174.

“(3) AGGREGATION RULES.—All members of the same controlled group of corporations (within the meaning of section 52(a)) and all persons under common control (within the meaning of section 52(b)) shall be treated as 1 person.”.

(b) CONFORMING AMENDMENT.—The table of sections for such part IX is amended by adding after the item relating to section 280H the following:

“Sec. 280I. Limitation on tax deductions for advertising by fda prescription drug manufacturers.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(d) TRANSFER TO THE FEDERAL HOSPITAL INSURANCE TRUST FUND OF RESULTING BUDGETARY SAVINGS.—There is appropriated to the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act amounts equal to the increase in Federal revenues resulting from the amendment made by subsection (a). Such appropriated amounts shall be transferred from the general fund of the Treasury on the basis of estimates of such revenues made by the Secretary of the Treasury.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 263—CONGRATULATING THE REPUBLIC OF CROATIA ON THE 10TH ANNIVERSARY OF ITS RECOGNITION BY THE UNITED STATES

Mr. MCCAIN (for himself, Mr. DURBIN, Mr. LIEBERMAN, Mr. VOINOVICH, and Mr. BIDEN) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 263

Whereas the United States recognized the Republic of Croatia on April 7, 1992, acknowledging the decision of the Croatian people to live in an independent, democratic, and sovereign country;

Whereas, during the 10 years since the recognition, the people of Croatia have overcome the legacy of the autocratic Tudjman government and persevered in building a democratic society, based on the rule of law, respect for human rights, and a free market economy, as shown by the democratic parliamentary and presidential elections held in January and February 2000;

Whereas the people and Government of the Republic of Croatia share the democratic values of the international community and the responsibility to uphold them, actively promoting democratic values in international organizations;

Whereas Croatia, cooperating on the basis of partnership and solidarity, participates in the Vilnius Group, which is committed to the common values of security and democratic stability through future North Atlantic Treaty Organization membership;

Whereas Croatia is a reliable friend and ally of the United States, actively contributing to the stabilization of South Central Europe; and

Whereas Croatia immediately positioned itself within the antiterrorism coalition of nations, sharing the common interests and values of the free and democratic world: Now, therefore, be it

Resolved, That the Senate—

(1) commends the Republic of Croatia for the significant progress it has made during the past decade, and encourages its democratic orientation and further strengthening of respect for human rights, the rule of law, and the free market;

(2) supports the Republic of Croatia's aspirations to become a member of the North Atlantic Treaty Organization (NATO), welcomes its commitment to the reforms required for NATO membership, acknowledges the importance of its continued commitment to those reforms, and recommends its acceptance into the Membership Action Plan at the NATO Ministerial in Reykjavik, Iceland in May 2002;

(3) encourages Croatia's continued contributions in bringing peace, stability, and prosperity to the region of South Central Europe, including continuing its cooperation with the International Criminal Tribunal for the former Yugoslavia; and

(4) recognizes the important role of the Croatian-American community in supporting the strengthening of bilateral relations between the United States and the Republic of Croatia.

SENATE RESOLUTION 264—EXPRESSING THE SENSE OF THE SENATE THAT SMALL BUSINESS PARTICIPATION IS VITAL TO THE DEFENSE OF OUR NATION, AND THAT FEDERAL, STATE, AND LOCAL GOVERNMENTS SHOULD AGGRESSIVELY SEEK OUT AND PURCHASE INNOVATIVE TECHNOLOGIES AND SERVICES FROM AMERICAN SMALL BUSINESSES TO HELP IN HOMELAND DEFENSE AND THE FIGHT AGAINST TERRORISM

Mr. KERRY (for himself and Mr. BOND) submitted the following resolution; which was referred to the Committee on Small Business and Entrepreneurship:

S. RES. 264

Whereas on September 11, 2001, the people of the United States were subject to the worst terrorist attack in American history;

Whereas in October 2001, the Pentagon's Technical Support Working Group, which is responsible for seeking new technologies to assist the military, sent an urgent plea, seeking ideas on how to fight terrorism;

Whereas in just 2 months, over 12,500 ideas were submitted to the Technical Support Working Group, most of them from small businesses;

Whereas small businesses remain the most innovative sector of the United States economy, accounting for the vast majority of new product ideas and technological innovations; and

Whereas despite their achievements, small businesses often have difficulty marketing and supplying goods and services to Federal, State, and local governments: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) small business participation is vital to the defense of the United States and should play an active role in assisting the United States military, Federal intelligence and law enforcement agencies, and State and local police forces to combat terrorism through the design and development of innovative products; and

(2) Federal, State, and local governments should aggressively seek out and purchase

innovative technologies and services from, and promote research opportunities for, American small businesses to help in homeland defense and the fight against terrorism.

Mr. KERRY. Mr. President, I am pleased today to submit a Resolution expressing the sense of the Senate that small business participation is vital to the defense of our Nation, and that Federal, State, and local governments should aggressively seek out and purchase innovative technologies and services from American small businesses to help in homeland defense and the fight against terrorism.

Since the events of September 11, the people of our Nation have come together in many ways to help protect our land and its citizens. Whether it is the high number of individuals signing up to become Sky Marshals, fighter pilots pulling letters of resignation and staying in the military, expressions of pride through the display of the American flag or other patriot memorabilia, or the desire of innovative small businesses to sell products to the Federal Government for the fight against terrorism or for homeland defense, the ground swell of patriotism has been truly uplifting.

But today, I want to focus the attention of my colleagues on the contributions being made specifically by our small businesses. Throughout the years, small businesses have also heard the call to arms and to defend the nation, and have responded through the development of innovative products to protect our Nation.

Whether it's a need for a new type of night vision scope for a lonely sniper in the field, lighter materials for a Marine's backpack, more reliable field communications gear, or nonlethal weaponry, America's small businesses have heard the call and met the challenge.

Fortunately, our government has recognized the need to promote a diverse defense industrial base, and since World War II, the Federal Government has actively sought to grow and maintain a thriving small business sector. And like many policies designed to promote defense, government policy to foster small business creation and growth has turned out to be a great boon for the U.S. economy. Today, small businesses represent more than 99 percent of all employers, employ 51 percent of private sector workers, account for 96 percent of all exporters of goods, and provide 75 percent of net new jobs. Additionally, small businesses are more adaptable, more innovative and more likely to retain and hire employees during an economic downturn than their larger brethren.

Our government's commitment to purchasing goods and services from small businesses is a key element in creating a positive environment for small business creation and growth. It results in more competition and increased productivity, which leads to lower prices and new innovations.

Yet with all of these positive elements, today, we are faced with a