The Commission may find that its very first case involves Japan and the auto sector. If Japan carries through on its threat to appeal to the WTO rather than open its markets, and if the WTO panel were to rule against us—an occurrence I do not foresee in view of the clearly exclusionary and discriminatory practices presently undertaken or tolerated by the Government of Japan—this would raise a serious question about whether the new WTO dispute settlement process is really in our national interest. I would expect a very careful review of that decision by the Review Commission, with appropriate recommendations to the Congress.

But it is my sincere hope that the mere existence of the Commission will encourage appropriate use of the WTO and will discourage WTO panels from acting beyond their authority when such cases are brought.

Finally, let me also speak to the final section of the bill, which provides that private parties may participate with the USTR in WTO dispute settlement proceedings. Under our legislation, if a U.S. private party with a direct economic interest in a WTO proceeding supports the U.S. Government's position, then the USTR must permit the party to participate in the WTO panel process. This private party participation is critical to protecting American jobs. Because the dispute settlement decisions will be binding, it is imperative that the interests of American companies and their workers be fully represented. This is not meant as a criticism of USTR in any way. But given the reality of USTR's many obligations in negotiating with countries around the world, they need the help of the private sector.

Mr. Speaker, this is an important piece of bipartisan legislation, and I hope we can move quickly to see it enacted into law.

RESIST IMPULSE TO BE PENNY WISE AND POUND FOOLISH

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1995

Mr. NADLER. Mr. Speaker, I rise today to add my voice to the growing concern expressed by many of my colleagues over the dangerous and devastating effects of many of the actions taken by this body in recent weeks, and actions that will be taken in the coming weeks.

I am gravely concerned that the frontal attack on low- and middle-income Americans that some are waging will have far-reaching effects that we cannot begin to fathom today.

Some Members of this body seem to be engaged in a race to cut, with little regard to what we are cutting, and what the effects of these cuts will be to Americans who are truly in need of assistance. While there is most certainly wasteful spending occurring which must be addressed by this body, we seem to be engaged in an exercise which is driven by a complete disregard to the content of what we do, with regard only to how much we do.

At the same time, we are transferring spending authority to our States, many of which are engaged in the same exercise.

We must remember that the cuts we make here are being echoed in our cities and our States. Even the most cost-effective programs are being cut at the city and State level—including a small and highly effective program in New York State called NORC, designed to assist moderate-income elderly remain in their homes, rather than cost taxpayers millions by financing nursing home care. This program receives only $1 million of State funding, and cutting it would likely end up costing much more.

We must resist the impulse to be penny wise and pound foolish. We must also be aware that, in our current climate, the cuts we make in Washington will be duplicated at the city and State level. We must equally resist the impulse shared by some in this House to punish those most in need of assistance—the poor, the elderly, the disabled, children, workers, legal immigrants—and to place the blame for our Nation's deficit on those who truly need assistance.

DO NOT FORGET MILITARY RETIREES

HON. JOHN M. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1995

Mr. McHUGH. Mr. Speaker, today the United States stands as the world's only remaining superpower. Having won the cold war we set out to downsize our military and cut defense expenditures. As we continue this process, we must not forget those military retirees who, through their many years of service and dedication, helped secure our Nation's future.

I fear that those who served during the World War II, Korea, and Vietnam eras, and who have since retired from the military, are being asked to bear unfairly the brunt of this downsizing process. The closing of bases throughout the country will leave many retirees without immediate access to DOD medical facilities. For example, the 1993 BRAC Commission's ill-advised closure of Plattsburgh Air Force Base will leave thousands of military retirees in upstate New York and in nearby Vermont without the services of the base hospital. Retirees over the age of 65 will be forced to rely on other, more costly, means to secure health care. Many people joined the military with the understanding that DOD would provide them with health care for life.

If we renege on our commitment to these military retirees, it will only serve to harm future efforts to attract high-quality personnel. We cannot expect service members to make a long-term career out of the military if we continue to demonstrate that a promise made yesterday no longer counts today.

Mr. Speaker, we have come to be a nation of strength by holding steadfast to our commitments and not by shirking our responsibilities. We did not do it in the past and we should not start now, especially when it comes to those men and women who were willing to make the ultimate sacrifice for their country. I believe that we must do whatever is in our means to ensure that these military retirees are not left to fend for themselves.

NATIONAL BEVERAGE CONTAINER REUSE AND RECYCLING ACT OF 1995

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1995

Mr. MARKEY. Mr. Speaker, today I am introducing the National Beverage Container Reuse and Recycling Act of 1995. This important piece of legislation is especially relevant today as we approach the 25th anniversary of Earth Day. I have introduced this legislation in the past with my colleague, the late Paul Henry (R–MI), who was a true and dedicated champion for this important initiative, and hope that my colleagues will this year embrace this bill that combats the problems we have of shrinking landfill space, skyrocketing waste disposal costs, misspent energy and natural resources, and litter strewn roadsides by setting in place a national beverage container recycling program. If passed, this bill would save millions of dollars in energy costs, divert a significant portion of the solid waste stream, foster the growth of a recycling infrastructure, and help reverse the throwaway ethic our Nation has embraced.

Most importantly, this will be done at no cost to the taxpayer. This bill, which requires a deposit paid on beverage containers, will act as a positive economic incentive to individuals to clean up the environment and will result in a high level of reuse and recycling of such containers, and help reduce the costs associated with solid waste management. Such a system will result in significant pollution prevention, energy conservation and recycling.

We can conquer the problem of one-way, throwaway beverage containers as 10 States have already done. Under these deposit programs, which are in effect in California, Connecticut, Delaware, Iowa, Maine, Massachusetts, Michigan, New York, Oregon, and Vermont, consumers pay a deposit on each container purchased, and this is refunded when the container is returned. Consumers in these States have proven the effectiveness of such legislation by reaching recycling rates as high as 95 percent.

This bill will encourage the development and maintenance of a recycling infrastructure. The plastics industry, which already has a recycling infrastructure, would particularly benefit from this bill since it has been plagued by supply shortages.

Consumers have demonstrated the popularity of deposit laws. A General Accounting Office [GAO] study found that 70 percent of Americans support national deposit legislation. Perhaps more importantly, in States that have deposit laws, this level is even greater.

This bill allows States to recycle in any manner they wish, as long as they achieve a 70-percent recycling goal for beverage containers. Only States that fail to meet this challenge would be required to implement the deposit program outlined in this bill.

To further encourage recycling efforts, the unclaimed deposits collected under this bill, which could total as much as $1 to $1.7 billion annually, would be used to support other recycling programs. For example, deposit laws can help subsidize the costs of curbside recycling. Together, deposit laws and curbside recycling

can result in greater recycling and reuse than either program could alone.

In celebration of Earth Day, just 2 weeks away, I introduce this legislation that will help us to reach our environmental goals by conserving our natural resources and reducing litter and pollution. I urge my colleagues to support comprehensive recycling by cosponsoring the National Beverage Container Reuse and Recycling Act of 1995.

REPEAL THE SHORT-SHORT TEST FOR REGULATED INVESTMENT COMPANIES

HON. MICHAEL PATRICK FLANAGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1995

Mr. FLANAGAN. Mr. Speaker, to qualify for taxation as a regulated investment company [RIC], a mutual fund must meet various tests. One of the tests is that a RIC must derive less than 30 percent of its gross income from the sale or distribution of certain investments, such as stocks, options, futures, securities, and forward contracts, held less than 3 months. This is known as the short-short test. Mr. Speaker, today I am introducing legislation to repeal the 30 percent of gross income limitation applicable to regulated investment companies.

The short-short test severely inhibits the ability of RIC's to adequately respond to fluctuating market conditions. Under present law, RIC's are not able to protect their investors as well as possible. This is because RIC's can not, for example, completely hedge their investments against adverse market trends. Similarly, if prices go up, a portfolio manager may not be able to sell certain securities, even if it is advisable to do so, solely because of the short-short test. They are stymied by the 30-percent barrier, even though it could be advantageous to go beyond that point and realize more than 30 percent of their gross income from certain investments. The inability to freely trade stocks, options, securities, and the like can adversely affect 401K's and various types of retirement funds invested in mutual funds.

Portfolio managers cannot totally maneuver to protect their investors without having their RIC status adversely impacted if they violate the 30-percent mark. The repeal of the short-short test will give those managers the capability to fully protect profitability for their shareholders. As it stands now, portfolio managers are often forced to make investment decisions based on tax strategy rather than investment strategy.

The short-short test is also an administrative nightmare. RIC's have to track the percentages of short-term and long-term gain realized daily and cumulatively throughout the year, and the holding periods of their assets. This, of course, creates extra costs for RIC's that are passed on to shareholders. Repeal of the short-short test will eliminate an inordinate amount of paperwork and accounting costs for the RIC's, and help their shareholders keep more of their investments.

Repeal of the short-short test has previously received strong bipartisan support. It passed the House unanimously on May 17, 1994, as part of the Tax Simplification and Technical Corrections Act of 1993. Unfortunately, the legislation was not enacted into law. I am bringing the issue forth for the 104th Congress because I believe it is still a much needed reform that can only help, and in no way hurt, the American economy.

TRIBUTE TO SAMUEL T. YANAGISAWA AND HIS WORK ON IMAGE INTENSIFIER NIGHT VISION EQUIPMENT

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1995

Mr. SAM JOHNSON of Texas. Mr. Speaker, I rise today to recognize and commend the accomplishments of an outstanding individual and fellow Texan who has done exceptional work in the development and manufacture of night vision equipment. This equipment enabling armies to fight in the dark is one of the most profound changes in military capability in history. It was a critical factor in the low loss of life and played a major role in the success of Operation Just Cause in Panama and Operation Desert Storm in Kuwait. These examples alone prove conclusively that night vision technology has revolutionized military tactics and strategy.

Sam Yanagisawa was instrumental in the development and manufacture of the first generation of image intensifier night vision equipment and of subsequent generations of goggles for night flying and for use by ground troops. His leadership, dedication, innovation, and frankly, his genius, led the way in providing our fighting forces with a night fighting capability that has proved decisive. He has been in the forefront with both the public and private sectors.

Mr. Yanagisawa was one of the founders of the U.S. Night Vision Manufacturers Association that help persuade our forces to adopt this equipment and develop the necessary doctrine for its employment. His initiative, foresight, and professionalism contributed immeasurably to the success of this effort. At the same time, he served on the Army Science Board, chaired two summer studies, and currently serves on the Air Force Studies Board.

Mr. Yanagisawa served in various positions at Varo Inc., from 1967–1987 where he developed the first generation of night vision tubes and equipment at high rate of production and introduced special process computers for the complex production of photocathodes, an integral part of image intensified devices. He went on to facilitate the efficient production of second generation tubes and equipment so that night goggles could be practicable for ground and airborne applications. He retired as chairman and CEO of Varo in 1987.

Mr. Speaker, I salute Sam Yanagisawa for his hard work, diligence, and outstanding accomplishments in the development of night vision. We all owe him a debt of gratitude for his years of dedication and join together in commending him for showing great foresight and commitment to the night vision industry. We thank him for his genuine contributions to our Nation's security and wish all the best in his future endeavors.

H.R. 1378, REGARDING RENUNCIATION OF AMERICAN CITIZENSHIP

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1995

Mr. GIBBONS. Mr. Speaker, last week the Republicans in the House of Representatives, acting on behalf of powerful lobbyists representing unnamed clients, succeeded in stopping a provision that would have prevented wealthy Americans from avoiding billions of U.S. tax by renouncing their American citizenship.

Earlier this week, I introduced H.R. 1378, which would require that those unnamed clients be identified to the public. The legislation would require the Secretary of State to publish in the Federal Register the names of individuals who renounce their U.S. citizenship. Individuals enjoying enormous tax advantages through renunciation of their U.S. citizenship should be publicly identified.

In the debate last week, Republicans tried to faithfully follow the script prepared by lobbyists representing wealthy expatriates and those few wealthy Americans planning to renounce their allegiance to their native country in the near future. Their arguments were eloquently refuted by the Democratic Members participating in the debate and we need not repeat that debate.

However, the Republicans did stray from the script prepared by these lobbyists in several respects, and I want to respond to those arguments. They accused the Democrats of engaging in class warfare and attempting to tax wealthy individuals out of existence. They argued that these wealthy individuals would not have engaged in the despicable act of renouncing their allegiance to the United States but for the punitive levels of taxation in this country.

The Republican concern for the wealthiest among the privileged class is understandable given their political philosophy but, from the average taxpayer's perspective, it is seriously misguided. The wealthiest of the wealthy did quite well during the 1980s. The wealthiest of Americans saw their share of total income almost double in the 1980s. According to Treasury Department data, the share of total income reported by the top one-half of 1 percent of taxpayers increased from 6.05 percent in 1979 to 11 percent in 1989.

Their argument that our taxes are at punitive levels is totally false. The United States has one of the lowest tax burdens of all industrialized nations in the world. It is true that our rates exceed those provided by the tax havens to which these wealthy people are fleeing. However, those individuals can reside safely in those havens only by reason of the defense expenditures of this country which enable wealthy expatriates to live safely anywhere in the world. Many of these expatriates continue to live and work in this country for large portions of the year.

The argument that I find most appalling is the argument that we engaged in class warfare when we tried to prevent these billionaires from avoiding their tax responsibilities by renouncing their U.S. citizenship. Two weeks ago, Republican Members of this House compared poor Americans to ''alligators'' and