

August 15, 1945. Defense shipping actually increased after that date to 1,200 sailings in December 1945, as compared to the World War II monthly peak of 800.

Second, while the Japanese indicated their desire to surrender on August 15, 1945, the situation facing the U.S. merchant marine did not radically change on that date. In fact, I have a copy of a telegram sent on August 15, 1945, by the U.S. Naval Pacific Command which states that "for all merchant vessels in the Pacific Ocean areas, Japan has surrendered. Pending further orders, all existing instructions regarding defense, security, and control of merchant shipping are to remain in force. Merchant ships at sea, whether in convoy or sailing independently, are to continue their voyages."

Third, it wasn't until December 31, 1946, that President Harry Truman declared in a press conference that he was issuing Proclamation 2714, which states that "although a state of war still exists, it is at this time possible to declare, and I find it in the public interest to declare, that hostilities have terminated."

And, finally and most importantly, all of our Federal laws that affect those who served during the World War II period use the date December 31, 1946.

There is no arbitrary cutoff date for the Male Civilian Ferry Pilots, the Wake Island Defenders, the Guam Combat Patrol, or the Women's Army Auxiliary Corps and there shouldn't be any for our Nation's merchant mariners.

Mr. Speaker, H.R. 44 will correct Secretary Aldridge's unfair decision by eliminating the unsupported date of August 15, 1945. It is a fair solution to this problem because it treats all those who served during the World War II period in exactly the same manner. If an individual was in a Navy boot camp or Army basic training on December 31, 1946, then they have been considered a World War II veteran for the past 49 years.

While the 2,500 Americans affected by H.R. 44 would be eligible for a variety of veterans benefits, in reality the only benefits they are likely to obtain are recognition, the right to have a flag on their coffin, and a headstone.

After all, education benefits have long since expired, people in their late-60's do not buy new homes, and all of these individuals are already eligible for Medicare benefits. In short, it is highly unlikely that any of these individuals will ever obtain care at a VA hospital. In fact, we know that 76,000 merchant mariners have been given veterans status because of the 1988 decision and, of that number, only a handful have received VA hospital benefits.

Mr. Speaker, it is for this reason that the Congressional Budget Office has estimated that H.R. 44 would result in negligible outlays to the Federal Government in fiscal year 1995.

I have been contacted by hundreds of people affected by Secretary Aldridge's unfair decision. Each of these Americans share the common characteristic of love of country and the commitment to serve during one of the most difficult periods in our Nation's history.

Because of their young age or physical impairments, most of these men could have simply chosen to avoid service during World War II. However, they chose not to do so, and we must not, even at this late hour, forget them.

Mr. Speaker, it is essential that we resolve this problem legislatively because the Department of the Air Force seems unwilling to correct it administratively.

Finally, I would like to acknowledge the outstanding leadership of Congressman LANE EVANS. We have stood together on this legislation for a number of years and LANE EVANS is a champion for our Nation's veterans.

I urge the House of Representatives to move H.R. 44 so that we can finally provide these Americans with the recognition which they have long deserved. In my 15 years in Congress, I have never seen an issue, which affects so few people, attract the support of so many Americans. It is time we finally enacted this important legislation into law. These men have waited a lifetime to tell their grandchildren that they are World War II veterans.

SOCIAL SECURITY EARNING TEST REPEAL

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. STUMP. Mr. Speaker, I am reintroducing legislation today to repeal the Social Security earnings test. As many of my colleagues know, the earnings test is one of the most unfair features of the Social Security law—limiting what Social Security recipients may earn and subjecting such recipients to what amounts to effective marginal tax rates of 50 percent or higher.

The earnings test affects only recipients who must work. Those who rely upon investment income to supplement their Social Security are not affected. Only those who choose or are forced to return to the work force face reduction or loss of their benefits.

Mr. Speaker, the work ethic should not end at age 62. Older people who wish to remain self sufficient through their own labors should not have to face a loss of their benefits. Nor should the Nation face the loss of the immeasurable talent and experience older workers bring to the work force. It is past time to repeal the Social Security earnings test.

FOREIGN SUBSIDIARY TAX EQUITY ACT

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. TRAFICANT. Mr. Speaker, last year I introduced H.R. 1374, the Foreign Subsidiary Tax Equity Act, to discourage domestic corporations from establishing foreign manufacturing subsidiaries in order to avoid Federal taxes. Today, I am reintroducing this bill. American manufacturers for too long have abused the good faith of the American workers by developing manufacturing processes in this country before moving production facilities overseas and handing out pink slips back home. Despite the fact that America possesses the most productive and talented labor force in the world, many United States manufacturers, lured by cheap labor costs and tax holidays, have closed down plants and moved operations to countries like Mexico, Taiwan, and South Korea.

Under my bill, foreign subsidiaries of U.S. companies that ship a significant portion of

their products into the United States would be taxed as if that subsidiary were located in the United States. Simply, the intent of my bill is to discourage tax-motivated foreign investment while protecting the jobs of your constituents.

Mr. Speaker, my bill is similar to legislation proposed by President Nixon in 1973, but the issue has been controversial since the inception of the corporate income tax in 1909. In 1962, President John F. Kennedy proposed repeal the deferral of overseas investment in developed countries, but Congress did nothing.

My bill would forbid foreign subsidiaries of U.S. companies from relocating manufacturing jobs in countries that provide tax holidays and other tax breaks and shipping a significant portion of their products into the United States. A current tax loophole allows these companies to avoid being taxed as if that subsidiary were located in the United States.

Mr. Speaker, in addition to losing millions of dollars in income taxes due to this anomaly in our tax code, the United States is losing a major portion of its manufacturing base. Once the manufacturing base is gone, it will be very difficult to get back. Germany and Japan have clearly taken the lead in maintaining a strong and viable manufacturing sector as their economies have continued to outperform ours. Overall, maintaining a productive manufacturing base is the lifeline to a modern, high income, competitive economy.

I have always believed the root of America's social decay is the ill advised trade and tax policies Congress has advocated for the past 25 years. Mr. Speaker, I urge all members to take a closer look at the problem of runaway manufacturing plants and co-sponsor this important legislation. My bill would be the first step in putting an end to this practice and make these companies pay their fair share.

FARM PRICES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, November 9, 1994, into the CONGRESSIONAL RECORD.

FARM PRICES

The United States is in the middle of the greatest harvest ever. The corn crop could be 50% higher than last year, and soybean production will exceed the historic 1979 crop with excellent weather across the farm belt. The yields this year are simply phenomenal, as farmers continue to astound us with their productive capacity.

The downside to this record production is lower prices. Steps are being taken, and others are under consideration, to help the farmer. In the long run, exports are the remedy, as consumers around the world demand high-quality American agricultural products. Ultimately, net farm income is projected to grow from \$43 billion in 1993 to as much as \$51 billion this year.

PRICES

Corn prices declined from a nationwide average of \$2.61 per bushel in June to \$2.09 per bushel in September. Some local elevators are currently reporting prices of less than