

a true intergenerational commitment to senior citizens.

Ms. Guggenheimer was also a pioneer in her own life—demonstrating through her personal example that women had the same capacity for leadership as men. She was the first woman to serve on the New York City Planning Commission—one of many posts, including Consumer Affairs Commissioner, from which she helped temper the sometimes harsh character of New York with a gentle spirit and a true love for her neighbors.

Ms. Guggenheimer's commitment to equal opportunity is equally evident in her founding of several influential women's organizations, including the New York Women's Forum, the National Women's Forum, and International Women's Forum, and the New York Women's Agenda.

Like so many others, I feel personally indebted to Elinor Guggenheimer for all she has done to improve our nation and celebrate our most cherished ideals. I am proud to join in recognizing Ms. Guggenheimer and confident that her works will remain an inspiration for many years to come.

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#### MINIMUM WAGE INCREASE ACT

SPEECH OF

**HON. MICHAEL P. FORBES**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, March 9, 2000*

Mr. FORBES. Mr. Speaker, I rise before you to urge all of my colleagues to vote to raise the minimum wage to \$6.15 over a 2-year period.

The cost of living on Long Island is extremely high. Long Islanders are burdened by high property taxes, high State taxes, and extremely high housing prices. Currently, the median price for a house on the Island is approximately \$200,000. In addition, Long Island has the highest electric rates in the United States.

Unfortunately, when all of these factors are combined, many people, who have lived on Long Island all their lives and are now raising their families there, can no longer afford to live on the Island.

These people are our child care workers, our home health workers, our nursing aides and other service workers, and many are single mothers. These workers who are vital to our communities are making minimum wage or slightly above. By raising the level of the minimum wage in 2 years, we can help give these Long Islanders a chance and keep them and their families in our communities.

In talking to the Long Island Housing Partnership, an organization that helps low-income families buy homes, I learned that a two-parent family, in which both parents are making the current minimum wage, cannot qualify to buy new affordable housing that will be built in East Patchogue, Long Island. This hard-working family's income is too low to qualify. This family cannot even afford to rent an apartment at this rate.

Let's give Long Island families a fighting chance. Vote to raise the minimum wage in two increments.

#### MINIMUM WAGE INCREASE ACT

SPEECH OF

**HON. PATRICK J. KENNEDY**

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

*Thursday, March 9, 2000*

Mr. KENNEDY of Rhode Island. Mr. Speaker, we are here because America needs a raise. For too long, many Americans have been working too hard for too little. They work more and more but take home less and less. This isn't the American way.

In America an honest day's work deserves an honest day's pay. That's what the minimum wage is all about.

Today, pay is not keeping pace with expenses. The work day is still 8 hours. Workers still punch the clock 5 days a week. The same work still needs to get done. And the same job is done—but at the end of the week, when it's time to go through the bills, the pay check doesn't go as far as it used to.

The Traficant-Martinez substitute that we will have a chance to vote on later today, will help working families' wages go farther. The substitute will increase the minimum wage by 1 dollar over 2 years. In two incremental steps it will raise the total wage to \$6.15. This modest increase will provide a higher standard of living for 12 million low-income working families.

Many of us do not realize the face of today's minimum wage worker. When we last increased the minimum wage, we found that nearly 60 percent of workers who benefited were women and 71 percent of those who were lifted up by the wage increase were adults.

In my district in Rhode Island, it is families like the O'Neill family who could use an increase in the minimum wage. The O'Neill family is headed by a single mother with three children who works fulltime as a child care worker. Despite her hard work, Ms. O'Neill barely makes ends meet.

Her weekly salary barely covers the rent, food, utilities, clothing, and a student loan that was taken out so that Ms. O'Neill could learn emergency medical training and become a better day care worker.

The Traficant-Martinez substitute will help families like the O'Neills. It may not help them to have a new car or a 2-week vacation, but it will help them to make ends meet.

Again, the Traficant-Martinez substitute is the only way to bring a wage increase to deserving families without delay and I urge my colleagues to support it.

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#### HONORING JUDGE JOE BROWN

**HON. HAROLD E. FORD, JR.**

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Monday, March 13, 2000*

Mr. FORD. Mr. Speaker, I ask my colleagues to join me in honoring Judge Joe Brown of Memphis.

Judge Brown has served as a distinguished jurist and community leader, and has demonstrated the law to millions of Americans via his television program. He is a nationally recognized figure with a reputation for outspoken and hands-on problem solving with urban

youth. He is also well-known for his innovative sentencing policies in addition to leading the re-opening of the case against James Earl Ray in the death of Dr. Martin Luther King, Jr.

A graduate of UCLA, Judge Brown became the first African American prosecutor in Memphis. Currently, he unselfishly spends a large portion of his weekends in the toughest neighborhoods in Memphis, following up on probationers and helping teens stay out of trouble.

Judge Brown has displayed exemplary dedication not only to the law, but also to the youth in Memphis and across the nation. His accomplishments have earned him a place among our nation's finest as the newest member of the Phi Alpha Delta Law Fraternity International. Congratulations to Judge Brown.

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#### A BILL TO REPEAL SECTION 809, WHICH TAXES POLICYHOLDER DIVIDENDS OF MUTUAL LIFE INSURANCE COMPANIES, AND TO REPEAL SECTION 815, WHICH APPLIES TO POLICYHOLDERS SURPLUS ACCOUNTS

**HON. AMO HOUGHTON**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, March 13, 2000*

Mr. HOUGHTON. Mr. Speaker, I am pleased to join my colleague from Massachusetts, Mr. NEAL, together with a number of other colleagues, in introducing our bill, "The Life Insurance Tax Simplification Act of 2000." The bill repeals two sections of the Internal Revenue Code which no longer serve valid tax policies goals.

This Congress has taken a major step forward in rewriting the regulatory structure of the financial services industry in the United States. This realignment is already having a positive impact on the way life insurance companies serve their customers, conduct their operations and merge their businesses to achieve greater market efficiencies. Unfortunately, the tax code contains several provisions which no longer represent valid tax policy goals, and in fact are carry-overs from the old tax and regulatory regimes that separated the life insurance industry from the rest of the financial world and differentiated between the stock and mutual segments of the life insurance industry. Today, the lines of competition are not between the stock and mutual segments of the life insurance industry. Rather, life insurers must compete in an aggressive, fast moving global financial services marketplace contrary to the premises underlying these old, outmoded tax rules.

In 1984 Congress enacted Section 809, which imposed an additional tax on mutual life insurers to guarantee that stock life insurers would not be competitively disadvantaged by what was then thought to be the dominant segment of the industry. Section 809 operates by taxing some of the dividends that mutual life insurers pay to their policyholders. When Section 809 was enacted, mutual life insurers held more than half the assets of U.S. life insurance companies. It is estimated that within a few years, life insurers operating as mutual companies are expected to constitute less than ten percent of the industry.

Section 809 has not been a significant component of the substantial taxes paid by the life

insurance industry, including mutual companies. But it has been extremely burdensome because of its unpredictable nature and complexity. The tax is based on a bizarre formula under which the tax of each mutual life insurer increases if the earnings of its large stock company competitors rise—even when a mutual company's earnings fall. The provision has been criticized by the Treasury Department and others as fundamentally flawed in concept. The original rationale behind the enactment of Section 809 no longer exists, and mutual life insurers should not pay taxes based on the earnings of their competitors or solely because they exist in the mutual form. Accordingly, the bill would repeal Section 809.

Section 815 was added to the Code as part of the 1959 changes to the life insurance companies tax structure. Before 1959, life insurance companies were taxed only on their investment income. Underwriting (premium) income was not taxed, and underwriting expenses were not deductible. The change in 1959 provided that all life insurance companies paid tax on investment income not set aside for policyholders and on one-half of their underwriting income. The other half of underwriting income for stock companies was not taxed unless it was distributed to shareholders. The amount of that income was called a "policyholders surplus account" or "PSA". No money was set aside; a PSA was and is just a bookkeeping entry. Mutual companies were not required to establish PSAs. The 1959 tax structure sought to tax the proper amount of income of stock and mutual companies alike and the PSA mechanism helped implement that goal.

In 1984, Congress rewrote the rules again. Both stock and mutual companies were subjected to tax on all their investment and underwriting income. In this context, dividend deductions for mutuals were limited under Section 809, and the tax exclusion for a portion of stock company's underwriting income was discontinued. Congress made a decision not to tax the amount excluded between 1959 and 1984. Rather the amounts are only taxed if one of the specific events described in the current Section 815 occurs (principally dissolution of the company).

The bill would repeal the obsolete Section 815 provision. Since 1984, the Government has collected relative small amounts of revenue with respect to PSAs as companies avoid the specific events which trigger PSAs taxation. There is not a "fund," "reserve," "provision" or "allocation" on a life insurance company's books to pay PSA taxes because, under generally accepted accounting principles, neither the government nor taxpayers have ever believed that significant amounts of tax would be triggered. Nevertheless, the continued existence of the PSAs does result in a burden on the companies in today's changing financial services world—a burden based on bookkeeping entries made from fifteen to forty years ago to comply with Congress' then vision of how segments of the life insurance industry should be taxed. In addition, the Administration has made recent proposals to require that PSA balances be taxed, even though no triggering event has taken place—thus another cloud of uncertainty.

The repeal of these two provisions, Sections 809 and 815, would provide certainty, less

complexity, and remove two provisions from the Internal Revenue Code, which no longer serve a valid tax policy goal in the life insurance tax structure of the Internal Revenue Code. We urge our colleagues to join us in co-sponsoring this legislation

TRIBUTE TO U.S. ATTORNEY  
GENERAL EDWARD LEVI

**HON. RAY LAHOOD**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Monday, March 13, 2000*

Mr. LAHOOD. Mr. Speaker, on behalf of myself and my colleague, ROBERT MATSUI, I would like to pay tribute today to the life of former U.S. Attorney General Edward Levi. It is with great sorrow that I acknowledge his passing, but it is with great privilege and honor that I speak about him today.

U.S. Supreme Court Justice John Paul Stevens recently said of Mr. Levi, "Wisdom, wit, a quiet grace and tireless willingness to strive for excellence have seldom been combined in such measure in one individual." I could not have summed up a man who has meant so much, to so many, better myself.

Author, professor, devoted father, and husband, Edward Levi is remembered by most as the U.S. Attorney General who helped to rebuild the Justice Department after Watergate and the resignation of President Richard Nixon. But, moreover, he was a man who accomplished more in his lifetime than most people dream of.

Starting out during World War II as a special assistant in the U.S. Attorney General's office, Mr. Levi returned to his alma mater of the University of Chicago in 1945 to assume a professorship in their distinguished school of law. While at the university, Mr. Levi quickly rose through the ranks becoming the Dean of the Law School in 1950, provost in 1962, and president of the distinguished university in 1968, a position he held until 1975. He was the first member of the Jewish community to serve as a leader of a major U.S. university.

In 1975, Mr. Levi was praised for his evenhanded response to the student uprising that culminated in the takeover of the school's administration building. His unique sense and display of leadership surrounding this incident did not go unnoticed. He was quickly appointed to the position of U.S. Attorney General, a post he served from 1975–1977. Former President Ford, said, "Ed Levi, with his outstanding academic and administrative record at the University of Chicago, was a perfect choice. \* \* \* When I assumed the Presidency in August 1974, it was essential that a new attorney general be appointed who would restore integrity and competence to the Department of Justice." Mr. Levi did just that.

Mr. Speaker, words certainly cannot do justice to the life of this fine individual. He was an exemplary individual, and it goes unsaid that his unmatched leadership will be missed. I want to express my condolences to the Levi family, particularly his wife Kate, sons John, David, and Michael, and brother Harry. Let us not forget his impressive accomplishments, but above all, let us never forget the

kind-hearted man behind the distinguished titles.

IN MEMORY OF RODNEY D.  
HANSON

**HON. ROBERT W. NEY**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Monday, March 13, 2000*

Mr. NEY. Mr. Speaker, I rise today in memory of Rodney D. Hanson, who passed away on February 22, 2000. Rodney was born on June 24, 1945, the son of Harry R. and Doris A. Hanson.

Rodney was a graduate of Hamline University in St. Paul, MN, and later received a masters of arts degree in English from Ohio University. He received his juris doctorate degree from the Ohio State University College of Law. Rodney was a partner in the law firm of Thomas, Fregata, Myser, Hanson and Davis. Rodney also worked hard to serve the community. He was a member of St. Mary's Church in St. Clairsville, where he served as a lector. He was also a member of the Knights of Columbus and the St. Clairsville Sunrise Rotary Club. Rodney served as a trustee and president of the board of the Belmont-Harrison Juvenile District. He further served the public as a member and past president of the Belmont County Bar Association and a member of the Ohio State Bar Association in which he was a member of the School Law and Law Library Committees.

Mr. Speaker, it is a privilege for me to pay my last respects to a gentleman who gave so much of himself to his community, his church, and his family. Rodney will be missed by all whose lives he touched. I am honored to have represented him and proud to have been able to call him a friend.

PERSONAL EXPLANATION

**HON. BILL McCOLLUM**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Monday, March 13, 2000*

Mr. McCOLLUM. Mr. Speaker, on March 9, 2000, I was unavoidably detained and missed rollcall votes. Had I been present, I would have voted "yes" on rollcall vote No. 39 on H. Res. 434, which provided for the consideration of H.R. 3081 and H.R. 3846; "no" on rollcall vote No. 40, on motion to recommit H.R. 3081 with instruction; "yes" on rollcall vote No. 41, passage of H.R. 3081 the Wage and Employment Growth Act; "no" on rollcall vote No. 43 on agreeing to the Traficant amendment which would provide for the increase in the minimum wage to occur over a 2-year period instead of a 3-year period; "no" on rollcall vote No. 44 on motion to recommit H.R. 3846 with instructions; "no" on rollcall vote No. 45 on final passage of H.R. 3846 which amended the Fair Labor Standards Act of 1938 and increased the minimum wage.