

charter. The ruling placed a cloud of uncertainty over the operations of nearly 3,600 credit unions that continues to this day.

The credit union case, *National Credit Union Administration versus First National Bank & Trust, et. al.*, is now before the Supreme Court with a decision expected sometime early next year. At issue in the case are conflicting interpretations of the definition of credit union membership in the 1934 Federal Credit Union Act. Since 1982 the credit unions have interpreted this definition as permitting them to incorporate multiple common-bond groups within their membership. The banks interpret the same provision as limiting credit union membership to the core common-bond group in a credit union's original charter.

While the difference between these interpretations may seem minimal from the outside, it is extremely important to credit unions, like many in my district in western New York, that have a core membership in companies that have downsized in recent years or that have tried to reach out in their community to serve residents and groups who otherwise might have limited access to financial services.

Like many of my colleagues, I strongly support credit unions and believe they play a significant and necessary role in meeting the banking and credit needs of a huge segment of our population. While I believe credit unions require new opportunities to grow and compete, I am sensitive to complaints that larger credit unions not be allowed to exceed their original charter and simply duplicate the role and services of banks.

The issue for public policy is now to balance the need for continued membership growth by credit unions with the need to assure that credit unions do not simply duplicate the role of banks or compete unfairly with other local financial institutions.

Unfortunately, it appears that few in Congress want to address this issue and prefer to let it be resolved by the Supreme Court. I disagree. It is Congress' responsibility, not the Court's, to update a depression-era statute to conform with today's market realities.

Over the past several months I have worked to develop a legislative proposal to effectuate the best public policy on this issue. I do not intend to introduce the proposal at this time. Instead, I wish to offer it as a vehicle for discussion and as a guideline for future action, if needed.

I do not presume that the approach I am proposing is necessarily the right or only answer to the membership controversy. It is certainly not an approach that either the credit unions or the banks are likely to welcome or support at this time. But either party that loses the court decision will certainly view this as an extremely reasonable proposal. And it is possible that the Court may deny standing in the current case, leaving all parties in the same position of uncertainty as a year ago.

I believe that now, before the Court acts, is the time to discuss policy options and to determine what makes good public policy. Waiting until after a decision will only harden the positions of both parties. I would encourage the credit unions and the banks to come together and consider options for resolving the issue in legislation rather than additional years of litigation. The approach I am outlining or somewhere close to it, could well be where we end up on the issue.

Mr. Speaker, I have inserted a copy of my proposal elsewhere in today's RECORD. I offer

it for the consideration of my colleagues as a beginning point for future discussion.

TRIBUTE TO THE SERVICE OF NEW JERSEY STATE SENATOR JOHN EWING

HON. MICHAEL PAPPAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Sunday, November 9, 1997

Mr. PAPPAS. Mr. Speaker, I rise today to recognize New Jersey State Senator John H. Ewing. Senator Ewing has dedicated the last 31 years to representing the citizens of Somerset County and the surrounding area in many ways. Senator Ewing served 2 years on the Somerset County Board of Chosen Freeholders starting in 1966. In 1967 he successfully ran for a seat in the New Jersey General Assembly where he served for 10 years until he was elected to the New Jersey State Senate in 1977. While in the Senate he has served on the Joint Appropriations Committee and as chairman of the Senate Education Committee. His interest in the need to ensure a quality education for New Jersey's children is well known by educators and parents from all around the State.

Senator Ewing not only served his State, but served his country as well. He served in World War II, winning a Bronze Star for Valor. Because of the bravery of men like Jack Ewing the people of our Nation and many others around the world are free today. His wartime courage remains an extremely significant contribution to humanity because were it not for the men and women who risked life and limb during the Second World War, we might not have the freedom here to pay tribute to his legacy. I thank him for that service.

Senator Ewing is retiring from the New Jersey State Senate at the end of this year. He has served the people of central New Jersey very well. We will all miss his energetic and dedicated service. It is my hope that he and his wife Ally will have a long, happy, and healthy retirement. It is certainly well deserved.

A TRIBUTE TO LUKE MARANO, SR.

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Sunday, November 9, 1997

Mr. FOGLIETTA. Mr. Speaker, I rise today to pay tribute to a great Philadelphian, Luke Marano, Sr., who will be honored this Sunday as the Philadelphia Committee of Boys Towns of Italy's 1997 Man of the Year. Mr. Marano is the chairman of the 83-year-old Philadelphia Macaroni Co., and has distinguished himself through his continued contributions to the community.

Since taking over the operations of the Philadelphia Macaroni Co. from his grandfather, who started the business back in 1914, Luke has taken a hands-on approach to making it a continued success. He knows how to run every machine in the plant, and has expanded operations three times since 1973. Producing nearly 100 million pounds of pasta per year, Philadelphia Macaroni is one of the

largest family enterprises in the U.S. pasta business today. Under Luke's direction, the company recently broke ground for a new durum flour mill in North Dakota. Indicative of his success in the industry, in 1992 Luke was named Pasta Man of the Year by the National Pasta Association.

But aside from his business successes and contributions to the Philadelphia business community, Luke Marano is compassionate and generous in his public life. When he is honored this Sunday, it will be for his generosity in aiding the cause of the Boys Towns of Italy. This worthy charity, founded after WWII by Monsignor Carroll-Abbing, provides food, clothing, and shelter to needy children throughout Italy, a cause Luke Marano has long been a supporter of.

Mr. Speaker, in light of his years of success in the pasta business, and his dedication to worthy causes such as the Boys Towns of Italy, I ask that my colleagues join me today in honoring a great American and fellow Philadelphian, Luke Marano, Sr.

HAPPY BIRTHDAY TO ETTA WEISS OSMAN

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Sunday, November 9, 1997

Ms. VELÁZQUEZ. Mr. Speaker, I rise today to wish Etta Weiss Osman a very happy 85th birthday. Born Etta Weiss in Brooklyn on November 25, 1912, Etta is the youngest of six siblings. She married Haskel Osman on September 1, 1935, and they enjoyed 47 years of happiness together before Haskel's passing in 1982. Brooklyn's loss was Florida's gain when Etta and Haskel moved south in 1972, but we are fortunate that Etta still returns to Brooklyn for frequent visits.

Etta is blessed with a large, loving family—four children, eleven grandchildren and four great-grandchildren. On the occasion of her birthday, we would all do well to emulate Etta Weiss Osman, who continues to embody the proverb that happiness is not a destination, it is a method of life.

THE SILVER ANNIVERSARY OF TRESSLER ADOPTION SERVICES

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Sunday, November 9, 1997

Mr. GOODLING. Mr. Speaker, for the past two and a half decades, Tressler Adoption Services has provided an invaluable service to the community by helping to place special needs children in the care of loving and caring families. The courage and conviction that they have devoted to helping these extraordinary children has not gone unnoticed and I applaud their efforts.

Tressler Adoption Services has given more than 2,500 children a second change in life. The priceless opportunities afforded to these special needs children may not have been realized had Tressler not been the stewards of their good fortune. Tressler should serve as a model for other communities, demonstrating

how best to care for the most vulnerable people in our society.

November is National Adoption Month, and I believe that our Nation must embrace, on a year-round basis, our less fortunate youths despite the shortcomings that life has dealt them. Under the leadership of Barbara Holtan, Tressler has soared in matching these youngsters, who otherwise may have languished in foster care with loving families and providing them with a home.

It is with regret that the business of the House has precluded me from attending the celebration of Tressler's silver anniversary on this day, November 9th. Nonetheless, my best wishes do go out to them.

On the 25th anniversary of the founding of Tressler Adoption Services, the community in south central Pennsylvania graciously thanks you and commends you on your years of good service. May many more productive years lie ahead.

AMERICA DOESN'T LOVE ALL ITS CHILDREN

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Sunday, November 9, 1997

Mr. STARK. Mr. Speaker, "should the child of a poor American family have the same chance of avoiding preventable illness or of being cured from a given illness as does the child of a rich American family?"

That is the question.

That is the question brilliantly posed in the following essay by Uwe Reinhardt from the Journal of the American Medical Association's November 5 issue.

It is a profoundly moral and religious question.

America's answer to the question is, I am sad to say, no. Unlike other advanced industrial societies, America is saying no to millions of its children and their parents. In many ways, we really are not a nation or a society. We say we are, but we are practicing the social Darwinism of every man, woman, and child for himself.

We do not love all our children.

[From the Journal of the American Medical Association, Nov. 5, 1997]

WANTED: A CLEARLY ARTICULATED SOCIAL ETHIC FOR AMERICAN HEALTH CARE

(By Uwe Reinhardt)

Throughout the past 3 decades, Americans have been locked in a tenacious ideological debate whose essence can be distilled into the following pointed question: As a matter of national policy, and to the extent that a nation's health system can make it possible, should the child of a poor American family have the same chance of a avoiding preventable illness or of being cured from a given illness as does the child of a rich American family?

The "yeas" in all other industrialized nations had won that debate hands down decades ago, and these nations have worked hard to put in place health insurance and health care systems to match that predominant sentiment. In the United States, on the other hand, the "nays" so far have carried the day. As a matter of conscious national policy, the United States always has and still does openly countenance the practice of rationing health care for millions of Amer-

ican children by their parents' ability to procure health insurance for the family or, if the family is uninsured, by their parents' willingness and ability to pay for health care out of their own pocket or, if the family is unable to pay, by the parents' willingness and ability to procure charity care in their role as health care beggars.

At any moment, over 40 million Americans find themselves without health insurance coverage, among them some 10 million children younger than 18 years. All available evidence suggests that this number will grow.¹ America's policymaking elite has remained unfazed by these statistics, reciting the soothing mantra that "to be uninsured in these United States does not mean to be without care." There is, to be sure, some truth to the mantra. Critically ill, uninsured Americans of all ages usually receive adequate if untimely care under an informal, albeit unreliable, catastrophic health insurance program operated by hospitals and many physicians, largely on a voluntary basis. Under that informal program, hospitals and physicians effectively become insurance underwriters who provide succor to hard-stricken uninsured and who extract the premium for that insurance through higher charges to paying patients. The alarming prospect is that the more effective the techniques of "managed care" will be in controlling the flow of revenue to physicians and hospitals, the more difficult it will be to play this insurance scheme otherwise known as the "cost shift." It can be expected that, within the next decade, the growing number of the nation's uninsured will find themselves in increasingly dire straits.

But these straits have never been smooth for the uninsured, notwithstanding the soothing mantra cited earlier. Empirical research must have convinced policymakers long ago that our nation rations health care, health status, and life-years by ability to pay. It is known that other socioeconomic factors (such as income, family status, location, and so on) being equal, uninsured Americans receive, on average, only about 50% of the health services received by equally situated insured Americans.² This appears to be true even for the subgroup of adults whose health status is poor or only fair.³ Studies have shown that uninsured Americans relying on the emergency departments of heavily crowded public hospitals experience very long waits before being seen by a physician, sometimes so long that they leave because they are too sick to wait any longer.⁴⁻⁶ Studies have found that after careful statistical control for a host of socioeconomic and medical factors, uninsured Americans tend to die in hospitals from the same illness at up to triple the rate that is observed for equally situated insured Americans⁷ and that, over the long run, uninsured Americans tend to die at an earlier age than do similarly situated insured Americans.⁸ Indeed, before the managed care industry cut the fees paid physicians sufficiently to make fees paid by Medicaid look relatively attractive to physicians and hospitals, even patients insured by that program found it difficult to find access to timely care. In one study, in which research assistants approached private medical practices pretending to be Medicaid patients in need of care, 63% of them were denied access because the fees paid by Medicaid were then still paltry relative to the much higher fees from commercial insurers.⁹

If the champions of the uninsured believe that the assembly and dissemination of these statistics can move the nation's policymaking elite to embrace universal coverage, they may be in for a disappointment. The working majority of that elite not only are unperturbed by these statistics, but they be-

lieve that rationing by price and ability to pay actually serves a greater national purpose. In that belief they find ample support in the writing of distinguished American academics. Commenting critically on the State Children's Health Insurance Program enacted by Congress in August 1997 as part of its overall budget bill, for example, Richard Epstein author of the recently published *Mortal Peril: Our Inalienable Right to Health Care?*¹⁰ warns darkly that the new federal plan "introduces large deadweight administrative costs, invites overuse of medical care and reduces parental incentives to prevent accidents or illness." Summing up, he concludes: "We could do better with less regulation and less subsidy. *Scarcity matters, even in health care*" (italics added).¹¹

Clearly, the scarcity Epstein would like to matter in health care would impinge much more heavily on the poor than it would on members of his own economic class, as Epstein surely is aware. In his view, by the way, Epstein finds distinguished company in former University of Chicago colleague Milton Friedman, the widely celebrated Nobel laureate in economics, who had proposed in 1991 that for the sake of economic efficiency, Medicare and Medicaid be abolished altogether and every American family have merely a catastrophic health insurance policy with a deductible of \$20,000 per year or 30% of the previous 2 years' income, whichever is lower.¹² Certainly, Epstein and Friedman would be content to let price and family income ration the health care of American children. They rank prominently among the "nays."

In his book, Epstein frames the debate over the right to health care as a choice between the "maximization of social wealth" as a national objective and the "maximization of utility," by which he means human happiness. "Under wealth maximization," he writes, "individual preferences count only if they are backed by dollars. Preferences, however genuine, that are unmediated by wealth just do not count."¹⁰ One implication of resource allocation with the objective of wealth maximization is that a physician visit to the healthy infant of a rich family is viewed as a more valuable activity than is a physician visit to the sick child of a poor family.¹³ If one does not accept that relative valuation, then one does not favor wealth maximization as the binding social objective.

Although conceding that wealth maximization does imply a harsh algorithm for the allocation of scarce resources, Epstein nevertheless appears to embrace it, even for health care. Establishing positive legal rights to health care regardless of ability to pay, he argues, could well be counterproductive in the long run, because it detracts from the accumulation of wealth. "Allowing wealth to matter [in the allocation of health] is likely to do far better in the long run than any policy that insists on allocating health care without regard to ability to pay. To repeat, any effort to redistribute from rich to poor in the present generation necessarily entails the redistribution from the future to the present generation."¹³ Applying his proposition to the question posed at the outset of this commentary, the argument seems to be that poor children in one generation can properly be left to suffer, so that all children of future generations may be made better off than they otherwise would have been.

One need not share Epstein's social ethic to agree with him that, over the long run, a nation that allocates resources generously to the unproductive frail, whether rich or poor, is likely to register a relatively slower growth of material wealth than does a nation that is more parsimonious vis-à-vis the