

And for once their claims are absolutely right. The Republican plan does offer more choice. Unfortunately, this is one of those cases in which more choice is actually bad for everyone. In fact, by trying to give people more choices the Republican plan would end up denying them any choice at all.

Where Democrats want to offer drug coverage directly to Medicare recipients, the Republicans propose to offer money to private insurance companies instead, to entice them into serving the senior market. But all indications are that this plan is a non-starter. Insurance companies themselves are very skeptical; there haven't been many cases in which an industry's own lobbyists tell Congress that they don't want a subsidy, but this is one of them. And an attempt by Nevada to put a similar plan into effect has been a complete dud—not a single insurer licensed to operate in the state has shown any interest in offering coverage.

The reason is "adverse selection"—a problem that afflicts many markets, but insurance markets in particular. Basically, adverse selection is the reason you shouldn't buy insurance from companies that say "no medical exam necessary": when insurance is sold to good and bad prospects at the same price, the bad risks drive out the good.

Why can't the elderly buy prescription drug insurance? Suppose an insurance company were to offer a prescription drug plan, with premiums high enough to cover the cost of insuring an average Medicare recipient. It turns out that annual spending on prescription drugs varies hugely among retirees—depending on whether they have chronic conditions, and which ones. Healthy retirees, who know that their bills won't be that high, would be unwilling to buy insurance that costs enough to cover the bills of the average senior—which means that the insurance plan would attract only those with above-average bills, meaning higher premiums, driving still more healthy people away, and so on until nobody is left. Insurance companies understand this logic very well—and are therefore simply not interested in getting into the market in the first place.

The root of the problem is that private drug insurance could be offered at a reasonable price only if people had to commit to paying the necessary premiums before they knew whether they would need expensive drugs. Such policies cannot be offered if those who find out later that they don't require such drugs can choose to stop paying what turn out to be unnecessarily high premiums.

And while in principle one could write a contract that denies the insured the choice of opting out, just try to imagine the legal complications if a private company tried to force a healthy retiree to keep paying high premiums for decades on end, even though he turns out not to need the company's benefits. As a practical matter the only way to avoid this opt-out problem, to enforce the kind of till-death-do-us-part commitment needed to make drug insurance work, is to make the coverage part of a government program.

All of this is more or less textbook economics. So why are Republican leaders insisting on a plan that almost nobody familiar with the issue thinks will work?

Cynical politics no doubt plays an important role. So does money; the insurance industry is by and large against the Republican plan, but the pharmaceutical industry is very anxious to avoid anything that might push down drug prices, and fears that the administration plan will do just that. But sin-

cere fanaticism also enters the picture. Republican leaders in the House, in particular, are true believers in the miraculous powers of the free market—they are in effect members of a sect that believes that markets will work even when the businessmen actually involved say they won't, and that government involvement is evil even where conventional analysis says it is necessary.

The Republican plan is, in short, an assertion of a faith that transcends mundane economic logic. But what's in it for us heathens?

TRIBUTE TO THE HONORABLE
KATY GEISSERT

HON. STEVEN T. KUYKENDALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 2000

Mr. KUYKENDALL. Mr. Speaker, I rise today with sadness to remember and honor former Torrance Mayor, Katy Geissert. Katy passed away last week after a courageous fight against lung cancer.

Katy was a pioneer in South Bay politics. In 1974, Katy became the first woman elected to the Torrance City Council. After serving three terms, she became the first woman elected Mayor of the City of Torrance. Katy paved the way for women to hold public office in Torrance. A resident of Torrance for nearly a half-century, Katy was actively involved in the local community.

Her contributions to the Torrance community are numerous. Katy was the Founding President of the Torrance Cultural Arts Center Foundation, past chairman of the Torrance Salvation Army Advisory Board, consultant to the South Bay/Harbor Volunteer Bureau, and charter board member of the Torrance League of Women Voters.

People will remember Katy for her allegiance to the South Bay. She was deeply committed to the local community and its residents. Katy will be missed. The community she represented is a better place to live because of her service.

IN MEMORY OF JAN KARSKI

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 2000

Mr. LANTOS. Mr. Lantos. Mr. Speaker, I rise today to invite my colleagues in Congress to join me in paying tribute to Jan Karski, who passed away on July 13th at the age of 86. A man of extraordinary courage, Karski risked his life to journey into the danger of the Warsaw ghetto and the Belzec death camp as a member of the Polish underground during World War II. He did this to gain first hand information and then convey the horrors of the Nazi regime to the Allied leaders. The enormity of Karski's task was confirmed after his meeting with the head of the Zionist organization and the leader of the Jewish Socialist Alliance. According to Karski, his mission was to transmit material to the Polish and Allied gov-

ernments which "constituted the expression and contained the information, sentiments, requests, and instructions of the entire Jewish population of Poland as a unit, a population that was at the moment dying as a unit."

After speaking with London authorities in 1942, Karski's frightful accounts were met with disbelief and denial. Yet he continued to deliver his searing report of Nazi atrocities and of Hitler's Final Solution, spending months briefing government and community leaders in Britain and in the United States. It is difficult to imagine the turmoil Karski must have suffered, as he was constantly called upon to recall the ghastly scenes he had witnessed and to recount the new unprecedented criminality. Because of his perseverance, Karski is credited with providing President Franklin D. Roosevelt with the motivation to establish the United States War Refugee Board, an organization that saved tens of thousands of Jewish lives toward the end of World War II.

Born in 1914 in Lodz, Poland, Dr. Karski received a Master's Degree in Law and another Master's Degree in Diplomatic Sciences at the Jan Kazimierz University in Lvov in 1935. After completing his education in Germany, Switzerland, and Great Britain in the years 1936–38, he entered the Polish diplomatic service. His following years were marked by extraordinary contributions to Nazi resistance efforts. Conscripted into the Polish army in August 1939, Karski was eventually taken prisoner by the Red Army and sent to a Russian prisoner of war camp. He escaped in November 1939, returned to German-occupied Poland and joined the anti-Nazi underground. Because of his knowledge of languages and foreign countries, he was used as a courier between the government-in-exile in London and underground authorities in Poland. In this capacity he made several secret trips between France, Great Britain and Poland. In August of 1943, he personally reported to President Roosevelt, Secretary of State Cordell Hull, Secretary of War Henry L. Stimson, and other United States government leaders.

After the war, Jan Karski moved to the United States where he married, became an American citizen, and received a doctorate from Georgetown University. Mr. Karski went on to have a distinguished academic career at Georgetown, and he also served as a special envoy and as a witness for the American government on a number of occasions. In 1956–57, and again in 1966–67, he was sent by the State Department on six-month lecture tours to sixteen countries in Asia and in French-speaking Africa. On numerous occasions, he was asked by various Congressional committees to testify on Eastern European Affairs. He lectured extensively at the Defense Intelligence Air University, Industrial College of the Armed Forces, and other government and civic institutions.

Mr. Karski is also a respected author. His book, "Story of a Secret State", which describes his experiences during World War II, was a bestseller. He was awarded a Fulbright Fellowship to inspect Polish, British and French archives for his major scholarly work, "The Great Powers and Poland, 1919–45" (from Versailles to Yalta). His many honors also include the distinction of "Righteous Gentile," bestowed by the Yad Vashem Holocaust