the farming community and within the university. The PFI–ISU partnership is a ''lightning rod'' allowing the university to respond quickly to new issues, issues as diverse as animal-friendly swine production systems, alternative parasite control methods, local food systems and community-supported agriculture (CSA). The partnership also provides the university with thoughtful and sometimes critical feedback concerning research and technology development

The PFI–ISU partnership was among the first between a university and a sustainable agriculture organization, and it is among the more successful. It is a credit to the leadership on both sides, reflecting a science-based approach and cordial relationships. The project has drawn in scientists from many disciplines, providing skilled farmer-collaborators and a support constituency for research into topics as diverse as integrated pest management, soil quality, intercropping, energy crops, prairie restoration, synthetic corn varieties, family allocation of labor, deep-bedded swine systems, specialty marketing, and the social impacts of sustainable agriculture. The membership of PFI brings a built-in ''conscience'' to the collaboration that keeps it focused on the issues relevant to sustaining the land, farm families, and communities. In the past decade as our understanding of sustainable agriculture has deepened and broadened, this partnership has provided a forum through which that process has advanced.

PERSONAL EXPLANATION

HON. KAY GRANGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 2000

Ms. GRANGER. Mr. Speaker, due to travel for a funeral, I was not present for several rollcall votes last evening.

Had I been present, I would have voted ''aye'' on rollcall Nos. 436, 437 and 438.

A REAL MEDICARE DRUG BENEFIT

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 2000

Ms. SCHAKOWSKY. Mr. Speaker, I wish to share with my colleagues an Op-ed by Paul Krugman that appeared in today's New York Times. This thoughtful piece dispels the myth that prescription drug insurance plans for the elderly are the answer to lower drug prices.

Mr. Krugman bases his conclusion on the fact that the market will not allow for prescription drug only plans, since the cost of premiums to seniors would be prohibitive. He clearly states that the only way to ensure the success of a Medicare prescription drug benefit ''is to make the coverage part of a government program.''

He adds, ''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.''

From the start, Republicans in Congress crafted a prescription drug bill that would guarantee only one thing—that the pharmaceutical companies can continue to price gouge seniors. The President and Democrats in Congress want to give seniors a Medicare prescription drug benefit that is universal, voluntary, and affordable, and builds on the current structure of Medicare.

Below is the full text of Mr. Krugman Op-ed.

[From the New York Times, July 26, 2000]

RECKONINGS; PRESCRIPTION FOR FAILURE

(By Paul Krugman)

In denouncing President Clinton's plan to extend Medicare coverage to prescription drugs, and in touting their own counterproposal, Republicans have rolled out the usual rhetoric. They excoriate the administration plan as a bureaucratic, ''one size fits all'' solution. They claim that their plan offers more choice.

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 sincere 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