

the new Medicare coverage premium. The only way we have any coverage is to purchase an insurance policy from a private insurance company. On top of that there are the ridiculous amounts that Medicare has set that won't cover any meds until we reach some huge amount in the thousands of dollars. My wife informed me today she is going off her psychiatric medicine. We used to receive patient assistance directly from the drug manufacturers through a clinic and we can no longer receive the drug samples or any patient assistance. We cannot afford to purchase our meds, Congresswoman. Isn't it wonderful how the Bush government has helped us?"

Another senior writes they find that their medical costs increase at every turn in the road. They currently pay nearly \$6,000 annually for prescriptions of which insurance pays \$600. "For the first four months of the year," this senior says, "I have to pay \$5 for generic drugs, \$18 for preferred drugs, with a cap of \$35 for the brand name drugs. But under this new plan that will increase to \$10, \$25 and \$50. And believe it or not, of the eight prescription drugs I need, only two are on the preferred list for \$25 each and the rest will each cost \$50 each. Congresswoman, please do your part in righting this wrong."

Health professionals have been writing to us. Another senior wrote us, "When I went to the pharmacy to pick up my prescription I brought \$20 with me because that is what I always paid. I couldn't believe it when the pharmacist said I had to pay \$260. I had to leave the pharmacy without medicine. It was embarrassing. How am I going to afford \$260 a month? I just don't have it. I guess the people who are for this plan want us to die."

Mr. Speaker, I rise tonight not just to outline problems with the program, because they are significant, but also to place in the RECORD what we can do to fix it. First of all, to let the government negotiate the prices that seniors have to pay with these pharmaceutical companies. They can't stand up to these big companies. We need to extend the deadline this year so that they can try to get qualified for the program, but there is so much confusion out there. Why should there be a May deadline? We ought to cushion that.

We ought to standardize plans like we did for Medicare part B so there is only 10 standard plans and people know what is in them. We ought to ban the gifts that these pharmaceutical companies are giving to people as lures in order to try to sign them up for these inadequate programs.

We ought to disclose coverage gaps. Companies which do not offer gap coverage should be required to make that fact known in writing.

We ought to disclose plan changes. It should be stated clearly that a company might drop a drug from coverage. We ought to create uniform ID numbers, simplify the application, expand extra help eligibility, and require broad formularies.

There are many other ways to fix this program, Mr. Speaker, but we surely should not put that burden on our seniors.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. KENNEDY) is recognized for 5 minutes.

(Mr. KENNEDY of Minnesota addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

21ST CENTURY ECONOMY

Mr. DREIER. Mr. Speaker, I ask unanimous consent to take my special order in the place of the gentleman from Minnesota (Mr. KENNEDY).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DREIER) is recognized for 5 minutes.

Mr. DREIER. Mr. Speaker, every day Americans are living the 21st century economy. We use BlackBerries and cell phones to stay in touch and stay in business. We order birthday presents online. We buy German cars made by American workers in South Carolina. We use Google to find restaurant recommendations. We treat previously debilitating illnesses with innovative pharmaceutical products, non-invasive surgery techniques and cutting-edge medical devices.

Nearly every aspect of our daily lives is impacted by our high-tech, innovation-driven, globally engaged economy. It has so thoroughly revolutionized our lives that it almost seems absurd to point out that the modern economy is vastly different than the economy of the 1930s and 1940s. And yet our methods for measuring this economy remain much the same as they did during the Great Depression and the era that followed.

Gross domestic product is still calculated by tallying industrial investments like heavy machinery and taking an old-economy view of exports and imports. Mr. Speaker, under this system new factory equipment counts as a long-term investment, but R&D does not. And an iPod which became a global powerhouse band on the strength of its superior design and savvy marketing strategies, developed by Apple in my State of California, is simply counted as another good imported from China, where the final product is assembled. Clearly, these products do not fully account for the essential role that knowledge and innovation play in our global economic leadership role.

Our economic strength here in the United States is no longer based solely on the goods we produce but on the ideas that we as innovative, creative Americans create. We add value and increase productivity, not by manufac-

turing more widgets, but by improving the widgets' design, by making the global distribution of widgets more efficient, by marketing, financing and servicing widgets.

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The full value of innovation, knowledge and best practices can be difficult to ascertain, but they have replaced mere goods as the bedrock of our Nation's economy.

Michael Mandel at Business Week demonstrates how Wal-Mart is an excellent example of this. Few companies have revolutionized their industries the way that Wal-Mart has revolutionized the retail world. Its operational and managerial innovations have made it a global leader that its competitors fail to emulate at their peril: the big-box format; the everyday low prices; the electronic data interchange with suppliers; the highly sophisticated data analysis, done to such detail that inventory managers know to order extra strawberry Pop-tarts when the weather gets bad, because the data crunchers have discovered that customers stock up on them just before a storm.

Mr. Speaker, these innovations and best practices, developed by Wal-Mart and copied by its competitors, have led to enormous productivity gains throughout the retail industry and our economy at large.

A study conducted by the McKinsey Global Institute in 2002 found that 25 percent of the major jump in productivity that came during the second half of the 1990s was due to gains in the retail sector, of which Wal-Mart is clearly a major contributor.

According to the study: "More than half of the productivity acceleration in the retailing of general merchandise can be explained by only two syllables: Wal-Mart." By innovating its operational structure, Mr. Speaker, Wal-Mart became one of the single greatest contributors to American productivity at the height of the tech stock bubble.

This is an instructive and remarkable fact, that a single company made a major contribution to the productivity of the world's largest economy, not by building new factories or buying new equipment, but by developing new ideas and applying them so successfully that they transformed their company and their entire sector.

And yet, as Mandel points out, these operational innovations, less tangible than a widget but far more valuable, do not get counted in our gross domestic product calculation. They are not tallied as an investment, nor are they counted as an export when Wal-Mart buys stores overseas and applies their innovations and best practices abroad to other countries.

Recent GDP numbers have certainly demonstrated tremendous economic strength, with 17 straight quarters of growth, 3.5 percent of GDP growth last year, and projections of nearly 5 percent growth for the first quarter this year. Mr. Speaker, when knowledge-