

men of that age used the term "modern white coolies." That is a part of our history. It is time we moved on. I will move on in conclusion to two points.

First, the macroeconomic implications of our trade policy.

Discussions of trade policy would be incomplete without mention of the macroeconomic implications of trade policy and the Nation's persistent balance of payments deficit—an issue addressed by Wynne Godley in "Drowning In Debt" a Policy Note recently published by the Jerome Levy Institute. The issue is somewhat complicated and centers around some complex economic interactions. But certain simple propositions warrant revisiting.

First, the large and persistent balance of payments deficit reflects an imbalance between domestic saving and domestic investment. Simply put our Nation is not saving enough. The improvement in government finances—moving from deficits of more than 4 percent of GNP to surpluses of more than 2 percent of GNP—have been partially offset by a decline in private savings. At the same time, an investment boom has required even more saving. In the short-run, this is not a problem, particularly since the investment boom will yield some dividends in the form of higher economic growth.

Second, in the long-run, this imbalance cannot continue, particularly as we approach the retirement of the baby boom generation. Indeed, it would be more prudent to now run balance of payment surpluses, reflecting an abundance of domestic savings, which so to speak can be cashed in when the baby boom generation retires.

Third, trade policies, such as approving PNTR for China will increase economic efficiency, but may or may not reduce the balance of payments deficit. Only sound domestic policies can do that, for example a responsible fiscal policy that encourages domestic saving including budget surpluses, can reduce the balance of payments deficits.

Allow me to close on a personal note. In January 1975, returning from a posting at U.S. Ambassador to India, I had the great pleasure of visiting Peking—as it then was—as a guest of George and Barbara Bush, who then represented the United States at the capital in a less than ambassadorial capacity. We had not yet exchanged ambassadors with the Communist regime. I was struck by a number of seeming contradictions. The great Tiananmen Square was dominated by two vast flag poles. At the top of the first were two massive portraits of 19th century hirsute Victorian gentlemen, Marx and Engels. The other had portraits of a somewhat mongol looking Stalin and, finally, Mao Zedong, who died in 1976. The Great Hall of the People, as I wrote later, maintained throughout my visit "the inert external manner of a post office on Sunday morning." In fact that very week, some 2,864 delegates had assembled there for the Fourth Party Congress. A new Con-

stitution was adopted, Zhou Enlai was confirmed as Premier. And he declared that world war was inevitable.

But that was not the impression one carried away. I have some confidence in what I say as two weeks later I wrote a long "Letter from Peking" for the New Yorker magazine. China, I wrote, "is a huge industrializing nation." Its products were not at that point overwhelmingly impressive: "In sum, Stalinist art and Meiji manufacture." Even so, Premier Zhou had predicted that by 1980 China would have a "relatively comprehensive industrial and economic system," and that by the end of the century this, combined with science and technology, would put her "in the front ranks of the world." Here we are at the end of that century.

I came away from Peking convinced that the regime had broken its ties with Moscow. No one with an elementary sense of Eurasian history could believe they would last much longer. None you might say other than our intelligence agencies. Now the cult of Mao has receded. Some years ago I was back in what was now Beijing on a CODEL headed by much-loved Republican leader Bob Dole. The portraits atop the flag poles had vanished. Mao was consigned to a smallish portrait above an entrance to the Forbidden City on one side of the square. Industry and business moving forward regardless of ideology. At Shanghai the old European banks on the Bund were nominally empty—no exterior signs of any activity within—but were in fact bustling within, banking, as they had been 60 years earlier.

No one should think of the People's Republic as a "normal" nation. It has a century of revolutionary past to accommodate to a more settled future. The potential for estrangement and worse is still there. To the extent that trade moderates international tensions, surely we will do so; indeed, insist on doing so. Too much is at stake not to do.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts is recognized for 30 minutes.

Mr. KENNEDY. Mr. President, I see my colleagues on the floor. I note that my colleague from New Mexico was here waiting before I came to the floor and before my friend from Iowa arrived. I know he has an important short subject matter. He has not been recognized in the consent agreement, and I want to accommodate all.

I believe I am entitled to 30 minutes; I expect to be able to complete my remarks in a shorter period. I want to accommodate the Senator from New Mexico. I will speak 20 minutes, and then yield to the Senator from Iowa. I ask unanimous consent to follow that outline, if it is agreeable to the Members.

The PRESIDING OFFICER (Mr. ROBERTS). Without objection, it is so ordered.

The Senator from New Mexico is recognized.

Mr. BINGAMAN. Mr. President, I thank my colleague from Massachusetts, Senator KENNEDY, for his courtesy in allowing me to speak at this point. I speak not on the issue that is pending before the Senate but in morning business. I ask I be permitted to speak for up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. BINGAMAN pertaining to the introduction of S. 3002 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The distinguished Senator from Massachusetts is recognized for 20 minutes.

Mr. KENNEDY. Mr. President, I ask to be able to proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGENDA FOR SEPTEMBER

Mr. KENNEDY. Mr. President, this afternoon, we are considering whether to proceed to legislation to establish permanent normal trading relations with China. That's an important issue, and it should be debated.

But in the short time remaining this year, we also must answer the call of the American people for real action on key issues of concern to working families. I want to mention briefly and then talk for the few more moments that I have about three specifically.

We must raise the minimum wage—with no gimmicks, no poison pills, and no bloated tax breaks for the wealthy. We are willing to consider some tax relief for small businesses to offset any burden of raising the minimum wage. But the minimum wage should be the engine for relief for low-wage workers, not the caboose on a massive train of tax breaks and antiworker legislation.

The latest Republican scheme may raise the minimum wage. But it also reduces overtime payments for all workers. Workers all over America are saying that employers are requiring them to work too much overtime. Under the Republican scheme, not only can employers require workers to work more overtime, but employers can pay them less for that overtime.

We must pass a real Patients' Bill of Rights—true HMO reform in which all Americans in managed care plans are protected—not just some, as our Republican friends propose.

We must strengthen our hate crimes laws. The Senate has passed such legislation on the DOD authorization. It's now up to the Republican leadership to decide whether we stand up against hate and bigotry in America, or will this Congress just take a pass.

We must invest in education in ways that will make a real difference for our children. That means helping local schools hire more teachers so we can have smaller class sizes, and a quality

teacher in every classroom in America. It means partnering with local schools to modernize school buildings and build more schools. It means increasing Pell Grants so more young Americans have a chance to go to college. It means more pre-school and after-school help for parents and schools.

We must adopt sensible gun controls that keep our communities and our schools safe. We should require child safety locks on all guns, and we must close the gun show loophole.

We must adopt urgently needed immigration reforms. We must expand the visa quota for skilled workers—the so-called “H-1B visa.” And we must adopt new laws to ensure equal treatment under our immigration laws for Latino and other immigrants.

Last but not least, we must enact a prescription drug benefit as part of the Medicare program. Whenever a senior citizen signs up for Medicare, a comprehensive prescription drug benefit should automatically come with it. Senior citizens shouldn't have to battle HMOs and insurance companies to get the prescription drugs they need. Yet, that is what our Republican friends propose.

Let's do it right—and do it now. Let's pass a prescription drug benefit as an integral and normal part of the Medicare program, just like hospitalization and doctors' visits.

This summer, Congress voted tax breaks for the wealthiest Americans and a pay raise for itself, but the Republican leadership has continued to block efforts to raise the salaries of America's most underpaid workers—those earning the minimum wage.

While Members of this Republican Congress are quick to find time to increase their own salaries and cut taxes for the wealthiest Americans, they have not yet found the time to pass an increase in the minimum wage to benefit those hard-working, low-wage Americans. The Republican leadership has insisted on doing nothing for those at the bottom of the economic ladder. It is an outrage that Congress would raise its own pay but not the minimum wage.

I was pleased to hear during the recess that House Republicans are finally coming around to our way of thinking. Last week, after three years of foot-dragging, Speaker HASTERT offered the President a plan to raise the minimum wage. This is a positive development, and it gives us real hope that we can raise the pay of the lowest paid workers this year.

These low income working families deserve a raise. Their pay has been frozen for three years. Since January 1999 alone, minimum wage workers have now lost \$3,000 due to the inaction of Congress. If we fail to increase the minimum wage this year, it will lose all of the value gained by the last two increases. Minimum wage earners should not be forced to wait any longer for an increase.

But we can't use this as an excuse to cut workers' overtime pay, as Speaker

HASTERT proposes. We can't raise the minimum wage on one hand—and cut overtime pay for millions of Americans on the other hand.

The typical American family is working more and more hours, according to a study released for Labor Day by the Economic Policy Institute called “The State of Working America 2000-2001.” Employees have increasingly been forced to work mandatory overtime—time they would rather be spending with their families—and they should be fairly compensated for that work.

Several new studies further prove how important a minimum wage increase is. A recent report released by the Economic Policy Institute entitled “The Impact of the Minimum Wage: Policy Lifts Wages, Maintains Floor for Low-Wage Labor Market” reveals that 63 percent of gains from a \$1 increase in the minimum wage would go to families in the bottom 40 percent of the income distribution. The study also finds that the higher wage raises the incomes of low-wage workers, with no evidence of job loss. In addition, the study reports that, among people who will benefit from an increase in the minimum wage, 1.75 million workers are parents with earnings below \$25,000 a year.

A June 2000 Conference Board report, “Does A Rising Tide Lift All Boats? America's Full-time Working Poor Reap Limited Gains in the New Economy,” found that poverty has risen among full-time, year round workers since 1973. Lower skilled workers have profited much less from the current economic boom. They have yet to recover from the serious erosion of their earnings from the mid-1970s to the mid-1990s. The number of full-time workers in poverty has doubled since the late 1970s—from about 1.5 million to almost 3 million by 1998. Millions of poor children are dependent upon these full-time workers.

“Minimum Wage Careers?”, an August 1999 study by two government economists, found that 12 percent of all workers have spent the first ten years of their careers within \$1 of the minimum wage. 8 percent of workers, predominantly women, minorities, and the less-educated, spend at least 50 percent of their first ten post-school years in jobs paying less than \$1 above the minimum wage. This research demonstrates that millions of workers stay at or near the minimum wage long after their entry into the workforce. The minimum wage is not just an “entry level” wage. As the study concludes, “minimum wage legislation has non-negligible effects on the lifetime opportunities of a significant minority of workers.”

Raising the minimum wage is not just a labor issue. The minimum wage issue is also a family issue. Forty percent of minimum wage workers have families. Parents are spending less and less time with their families. Listen to this: 22 hours less a week than they did

30 years ago, according to a study last year by the Council of Economic Advisers. As reflected in a report released by the Economic Policy Institute last week, an average middle-class family in 1998 spend 6.8 percent more time at work than it did in 1989. These extra hours at work mean that parents have less time to spend with their children.

Raising the minimum wage issue is also a children's issue. Thirty-three percent of minimum wage earners are parents with children under 18. Over 8 million children living in poverty live in working poor families. The Children's Defense Fund recently released a report called “The State of America's Children 2000.” A chapter on Family Income explains that if “recent patterns persist, one out of every three children born in 2000 will have spent at least a year in poverty by his or her 18th birthday.” The inadequate pay of these workers is the reason why 33 percent of all poor children, or 4.3 million children, in 1998 were poor despite living in a family where someone worked full-time, year-round. Children who grow up in poor families face a much higher risk of poor health, high rates of learning disabilities and developmental delays, and poor school achievement and they are far more likely to end up in poverty themselves.

Raising the minimum wage is also a civil rights issue. A disproportionate share of minorities will be affected by an increase in the minimum wage. While African Americans represent 12 percent of the total workforce, they represent 16 percent of those who would benefit from a minimum wage increase. Only 11 percent of the workforce is Hispanic, but 19 percent of those who would directly affected by an increase in the minimum wage are Hispanic.

Raising the minimum wage is also a women's issue. Sixty percent of minimum wage earners are women. The workers affected by an increase in the minimum wage are concentrated in female-dominated occupations.

Above all, raising the minimum wage is a fairness issue. Minimum wage earners, such as waitresses and teacher's aides, childcare workers, and elder care workers, deserve to be paid fairly for the work that they do. They should not be forced into poverty for doing the work that is so important to the citizens of the Nation.

In this period of unprecedented economic prosperity, the 10 million workers at the bottom of the economic ladder who will benefit from raising the minimum wage should not be forced to wait any longer for the fair increase they deserve.

Each day we fail to raise the minimum wage, families across the country continue to fall farther behind. Two facts tell the story. The minimum wage would have to be \$7.66 an hour today—instead of its current level of \$5.15—to have the same purchasing power it had in 1968. If wages had kept pace with worker productivity gains

over the last twenty-five years, the minimum wage would have to be \$8.79 today.

We heard a great deal about opposition to the increase in minimum wage because we are not getting increases in productivity. No economy has ever had the dramatic increases in productivity as we have had, Mr. President. If we tied those increases in productivity to where the minimum wage should be, it would be at \$8.79 instead of \$5.15.

These disgraceful disparities show how far we have fallen short in guaranteeing that low-income workers receive their fair share of the nation's prosperity. No one—no one—who works for a living should have to live in poverty.

We are not going to go away or back down. We have bipartisan support for this increase. It is long past time for this Congress to pass a fair minimum wage bill.

PROTECTING AGAINST HMO ABUSES AND PRESCRIPTION DRUGS BENEFIT

Mr. KENNEDY. Mr. President, as we enter the final weeks of the 106th Congress and the home stretch of the Presidential campaign, two health issues demand immediate action—protecting patients against the abuses of HMOs and other health insurance plans and providing coverage of prescription drugs under Medicare for senior citizens. The American people deserve action on each of these issues from this Congress. The position of the two Presidential candidates on these issues has become a key factor in determining whether they are truly committed to serving the needs of the American people, and the position of every member of Congress on these issues is important for the same reason.

With regard to the Patients' Bill of Rights, last week, ABC began to air a documentary series—"Hopkins 24/7"—that vividly illustrates once again the need for prompt action to end HMO abuses. Hopkins 24/7 is a documentary on life at one of the nation's finest hospitals—Johns Hopkins. The documentary is the result of three months of intensive filming. The first segment, shown on August 30, showed American medicine at its best, and the abuses by managed care at their worst.

A 14-year-old girl, Tiffanie Salvadia, sought care from Johns Hopkins for her cancer of the uterus. The diagnosis had been delayed for six critical weeks because crucial tests were not ordered by her HMO physicians. When Tiffanie finally reached Johns Hopkins, the cancer had spread from her uterus, raising the risk of this serious illness even further. When Tiffanie finally reached an institution capable of giving her the quality care she needed, the problems with her HMO were not over: Authorization for a vital test was needed, but the hospital was unable to contact the HMO for the authorization. Fortunately, Hopkins simply went ahead and performed the test, and

hoped that the hospital might be able to obtain payment later.

Tiffanie ultimately received fine care from Hopkins, and her chances of recovery from the cancer now seem good. But her favorable prognosis is no thanks to her HMO. Here is what Dr. Paul Colombani, the oncologist at Hopkins, had to say about Tiffanie's case and about his experience with managed care generally.

On the difficulty in getting the test authorized, he said, "I have to do the diagnosis codes and the procedure codes. And we have to submit them to the insurance company ahead of time. And they have to say yea or nay. We're not going to do this. You have to do that. I think it is ridiculous that a high school clerk should be telling me that I can or cannot do an operation on a patient."

On the delay in getting Tiffanie an accurate diagnosis and treatment, the doctor said, "We see delays in diagnosis because of the inadequacies of the managed care system all the time. And for . . . the .1 percent of patients where it turns out to be a life and death situation, they just look at that as the price of doing business. It's pathetic. In October or September, or whatever, that was the time to do that surgery. Now we're playing catch up."

Perhaps the most heart-rending comment came from Tiffanie's mother. It is a comment that any parent who has ever had a child with a serious illness can understand. She said, "My daughter has cancer. I want to concentrate on her, and getting her better and not have to worry about if I have a referral for this or a referral for that."

"I want to concentrate on her." That should be the right of any parent whose child is seriously ill. But today, because of the abuses of the insurance industry, it is not a right—it is a privilege of the fortunate few.

Whether the issue is diagnostic tests, specialty care, emergency room care, access to clinical trials, availability of needed drugs, protection of doctors who give patients their best possible advice, or women's ability to obtain gynecological services—too often, in all these cases, HMOs and managed care plans make the company's bottom line more important than the patient's vital signs. These abuses should have no place in American medicine. Every doctor knows it. Every patient knows it. And in their hearts, every Member of Congress knows it.

Almost 11 months ago, the House of Representatives passed the bipartisan Norwood-Dingell bill to end these abuses. It is endorsed by 300 groups of doctors, nurses, patients, and advocates for women, children, and families. It is supported by virtually every medical group in this country. It passed by an overwhelming bipartisan majority. It should have sailed through the Senate of the United States. But it continues to languish because the Republican leadership continues to put a higher priority on protecting industry profits than on protecting patients.

We have come close to successful passage. On June 8th, the Norwood-Dingell bill fell just one vote short of passage in the full Senate. It was supported by every Democratic Senator—and only four Republican Senators.

The American people deserve action before this Congress ends. Every day we delay, more patients suffer. The Patients' Bill of Rights is one of the most important issues facing this Congress—facing every family, too. There is no question where Vice-President AL GORE stands. If Governor Bush supported patients' rights and were willing to show the leadership that the American people have the right to expect in a Presidential candidate, this legislation would clearly pass the Senate. But on this issue, Governor Bush has failed to show the leadership we need.

I still believe that enactment of strong, effective legislation is possible this year. I am here to serve notice to the Senate today, that there will be new votes on this issue before we adjourn. I am hopeful that we will be successful. The American people are waiting for relief—and we owe it to them to act.

On Medicare prescription drugs, the second major issue of health reform facing us is insurance coverage of prescription drugs under Medicare.

After a year of full-time campaigning, Governor Bush today has finally offered a specific prescription drug plan for the consideration of the American people. Unfortunately, that plan is an empty promise for senior citizens. It is not Medicare—and it is not adequate. It is part of a broad plan to make regressive changes in Medicare that will raise premiums, force senior citizens to join HMOs, and further a radical right-wing program of privatization. And drug benefits would not even be available to most senior citizens for four years.

Senior citizens need a drug benefit under Medicare. They earned it by a lifetime of hard work. They deserve it, and it is time for Congress to enact it. The clock is running out on this Congress, but it is not too late for the House and Senate to act. The Administration and Vice President GORE have proposed one. So have Democrats in Congress. And we intend to assure that the Congress will vote on a real prescription drug program this month. The American people deserve action, and we intend to see that they get it.

Too many elderly Americans today must choose between food on the table and the medicine they need to stay healthy or to treat their illnesses. Too many senior citizens take half the pills their doctor prescribes, or don't even fill needed prescriptions—because they can't afford the high cost of prescription drugs.

Too many seniors are paying twice as much as they should for the drugs they need, because they are forced to pay full price, while almost everyone with a private insurance policy benefits from negotiated discounts.