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Senate

The Senate met at 1 p.m. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

This morning, Lord, we ask You for a very special gift. This gift is one we know You want to give. It is for the awareness of the power of prayer for each other. You have told us in the Scriptures that there are blessings You grant only when we care enough to pray for each other. We also know that our attitudes are changed when we pray for each other. We listen better and conflicts are resolved. We discover answers to problems together because prayer has made it easier to work out solutions.

Also, when we pray for each other, You affirm our mutual caring by releasing supernatural power. Working together becomes more pleasant and more productive. Knowing this, we make a renewed commitment to pray for the people around us, those with whom we disagree politically, and those with whom we sometimes find it difficult to work. If we pledge that we are one Nation under God, help us to exemplify to our Nation what it means to be one Senate family with unity in diversity, held together with the bonds of loyalty to You and our Nation, in consistent daily prayer for Your best for each other. In the name of our Lord. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JON KYL, a Senator from the State of Arizona, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Arizona is recognized.

SCHEDULE

Mr. KYL. Mr. President, today the Senate will be in a period of morning business until 3 p.m. Following morning business, the Senate will resume consideration of the Labor, Health and Human Services appropriations bill. Senator MCCAIN's amendment regarding protection of children using the Internet is the pending amendment, and it is hoped that all debate on that amendment can be completed by mid-day tomorrow. It is hoped that those Senators who have amendments will come to the floor as soon as possible to offer and debate their amendment. Votes may occur early tomorrow morning and Senators should adjust their schedules accordingly.

I thank my colleagues for their attention.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senate will now be in a period of morning business until

the hour of 3 p.m., with Senators permitted to speak therein for up to 10 minutes each.

Under the previous order, the Senator from Illinois, Mr. DURBIN, or his designee, shall be in control of the time until 2 p.m.

The Senator is recognized.

PNTR

Mr. HOLLINGS. Mr. President, here we go again, treating foreign trade as foreign aid, failing to compete, and giving away our technology and production. The permanent normal trade relations with China—PNTR—vote is not about access to China. The agreement doesn't provide open access, and even as a member of the WTO, China's market doesn't become open. Japan has been a member of the WTO for 5 years and her market remains closed. PNTR is certainly not about jobs in America, but about production and jobs in China. As headlined in the Wall Street Journal, corporate America is in a foot race to invest and produce in China. PNTR is not about exports. Today's \$70 billion deficit in the balance of trade with China is bound to increase. Nor will PNTR maintain our "lead" in technology. Already we have a \$3.2 billion deficit in technology trade with China that threatens to reach \$5 billion this year. PNTR is not about environment and labor. It took the democratic United States 200 years to get around to labor and environmental protections. Emerging countries, like us in the beginning, will sacrifice labor and environment to produce and build. PNTR is not about human rights. Human rights will be abused by a communist government in order to control a population of 1.3 billion. PNTR is not about undermining the communist regime in China. The communist regime knows what it's doing and unambiguously favors PNTR. Finally, PNTR is not about China obeying its agreements, but the United States enforcing ours.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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We are in a desperate circumstance. For 50 years we have readily sacrificed our manufacturing sector to spread capitalism and defeat communism. But our security rests as if on a three legged stool. The one leg of values is strong. America is admired the world around for its stand for human rights and individual freedom. The second leg of military power is unquestioned. The third leg of economic strength has become fractured. We have gone from 41% of our work force in manufacture at the end of World War II to 14 percent. Manufacture provides the salary and benefits that produce a middle class. This middle class is not only the strength of an economy, but the strength of a democracy. As Akio Morita of Sony stated: "That world power that loses its manufacturing capacity will cease to be a world power."

"Permanent" is the objectionable part of PNTR. The issue is not whether we will trade with China—we will. But the annual renewal of our trade relations affords us an opportunity to once more get the attention of our leadership as to an impending disaster. It's not just trade. The U.S. influence in world diplomacy is threatened. The 6th Fleet and the hydrogen bomb are no longer a threat. Today, economic power counts. Money talks. The domestic market is the principal weapon in the global competition. We have the richest, but refuse to use it, all because of some nonsense that a trade war may ensue. We are in a trade war and don't know it. It shows the lack of understanding of the global economy, of the global competition.

To begin with, the global competition is keen. With the fall of the Wall, 4 billion people have entered the work force. With technology transferred on a computer chip, financed by satellite, one can produce anything anywhere. In the age of robots, skilled production is readily available. The most productive automobile plant in the world, according to J.D. Power, is not in Detroit, but in Mexico. Years ago as Governor, I was admonished to let the emerging countries produce the textiles and the shoes; the United States would produce the airplanes and computers. Today, the competition produces the textiles, the shoes, the airplanes and the computers. All countries have as a goal obtaining technology and producing technology. All protect their domestic agriculture. All, except the United States, protect their local market from foreign imports. And all, except the United States, enjoy government financing. The European aircraft sold in the United States is government financed. The Japanese car taking over the United States market is financed and protected—and sold for less than cost. Most importantly, the goal of U.S. trade is profits. The goal of global competition is market share. While the competition cares little about a standard of living, the U.S. burdens its production with a high standard. Before "Jones Manufacturing" can open its

doors it must have a minimum wage, Social Security, Medicare, Medicaid, clean air, clean water, a safe working place, safe machinery, plant closing notice, parental leave—and almost ergonomics. Corporate taxes in the U.S. are a cost of production; whereas, the competition's value added tax is rebated at export. The global competition saves while we consume. They willingly pay \$4.50 for a gallon of gasoline but we go "ape" when a gallon reaches \$2.00. The global competition is organized and directed. We are totally disorganized. There are 28 agencies and departments engaged in trade decisions and we have allowed the financing of our debt to control trade decisions. Former Prime Minister of Japan, Hashimoto, threatened one afternoon at Columbia University to stop buying our bonds if we insisted on enforcing our dumping laws. The stock market fell 200 points within an hour and the dumping law against Japan was not enforced. Finally, all countries in international trade use access to their markets as a bargaining chip. Refusing to compete, we cry, "be fair; be fair; level the playing field". Moral suasion has little affect in business. We continue to lose our technology and production. It has gotten so bad that the foreign corporation in a controlled economy now preys on the domestic bloodied from open competition. Volvo buys Mack Truck. Daimler-Benz seizes Chrysler. And the European Union denies the MCI-Sprint merger so the Deutsche Telekom can buy Sprint.

As the United States moves now to set the parameters of trade with 1.3 billion producers of agriculture and products, we need time. We need understanding. The \$300 billion trade deficit, costing the economy 1% growth, must be reversed. The PNTR vote is not against China, but to get the attention of the United States. We need to set trade policy and start competing. We need to realize that we are competing with ourselves. In the early 1970s our banks financing foreign investment began making a majority of their profits outside of the United States. They organized think-tanks, consultants, and entities such as the Trilateral Commission to promote the "free trade" line. Corporate America, making a bigger profit on foreign production, changed from nationals to multinationals. The campuses, sustained by corporate multinationals, all teach "free trade". The retailers, enjoying a bigger profit on the imported article, shout "free trade". The newspaper editorialists, financed by retail advertising, exult "free trade". And then there's the lawyer. One country, Japan, pays their lawyers more to lobby Congress than the combined salaries of all the Members of Congress. By way of pay, Japan is better represented in Washington than the people of the United States. Article 1, Section 8 of the Constitution provides "that Congress shall have the power to regulate commerce with foreign nations", but

this power has been forsaken to the multinationals and foreign competition. PNTR will only continue this outrage. Trade with China will continue. But the only leverage we have left with China, the only chance for Congress to assume its responsibility for trade, is this annual review. "Permanent" must be stricken from Permanent Normal Trade Relations.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. KYL. Mr. President, I ask unanimous consent that I be permitted to speak on Republican time at this point, and should a member of the other party wish to later utilize minutes remaining on their time that they be permitted to do so.

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

ENERGY POLICY

Mr. KYL. Mr. President, the reason I wanted to speak this afternoon is to address the issue of energy policy and gasoline prices.

It seems now that we are in the finger-pointing mode trying to blame one another for what is in effect a market condition; that is, the increasing rise in the price of gasoline.

My point this morning is that it should come as no surprise to any of us that gas prices have gone up. Why is this so?

First of all, thanks to Senator PETE DOMENICI, the chairman of the Energy and Water Subcommittee of the Appropriations Committee, who yesterday in response to a question on a national TV program made, I think, the most succinct statement on this, we have the basic answer. He said, "The chickens have come home to roost."

He said that after 7 years of the Clinton-Gore administration policy, which is in effect no policy with respect to improving our energy situation, "The chickens have come home to roost."

While we have enjoyed a great time of prosperity in this country, we have been doing nothing to ensure that we would be able to provide the energy resources—the oil and gas on which our economy runs—at the time when our economy is up and running, as it is now; and, therefore, we should not be surprised that the demand for this product has outstripped the supply. He is correct in that.

Thanks to Senator MURKOWSKI, who chairs the Energy and Natural Resources Committee in the Senate, we have the statistics which back up this statement.

Since 1992, U.S. oil production is down 17 percent, but consumption is up