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, exhault ''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

14 percent. That is the basic fact right there. Demand is up significantly but production in this country is down significantly. The reason production is down is because of the specific policies of this administration.

It should come as no surprise to us that when demand is greater and supply is less, the price is going to go up. Only those who do not understand the free market would fail to appreciate this fact and point the finger at someone else.

Imports, we learned from Senator MURKOWSKI, are now at 56 percent of our total supply and growing rapidly. In fact, they are in the neighborhood of about 62 percent during some months—specifically during this period of time.

By comparison, in 1973, during the time of the Arab oil embargo, we imported about 35 percent of foreign oil.

Remember how we were complaining at that point about how dependent upon these OPEC supplies we were—35 percent then and up to 62 percent now.

We are approaching twice as much dependency on foreign oil supplies as we had during the time of the great oil embargo of the early 1970s.

At current prices, I might add, the United States spends $300 million a day on imported oil. That is over $100 billion per year on foreign oil, which, incidentally, is about one-third of our entire trade deficit.

This puts into clear perspective the amount of our reliance on these foreign sources.

Are the people who supply this oil from abroad our friends when it comes to the supplying of this particular product? Are they working with us to keep the prices down? No. We know, as matter of fact, in this area even that our friends are willing to take advantage of the great demand and thirst for this product in the United States.

The OPEC nations, which include our friend to the south, Mexico, and other countries in this hemisphere, but most especially the countries in the Middle East led by our friend, Saudi Arabia, have restricted the supply so as to drive the cost of the product up.

It is real simple. When we don't have control over the supply that our friends do, they will take advantage of us. Frankly, we can't blame them. That is part of the way the market operates. We would object that they have gathered together in the form of a monopoly or oligopoly, and they are controlling the price. But it is their ability to do that on the foreign market. We understand that. We should not be surprised by it. But we should be committed to doing something about it.

For 7 years, this administration not only has not done anything about it; it has gotten us more and more deeply in the hole of reliance on foreign oil.

I have a friend back home—a rancher. The Presiding Officer will probably appreciate this kind of western humor, since he likes to collect these items. He said he has an attitude. He said: When you are trying to get out of a hole, the first thing you do is stop digging.

I submit that we are going to keep digging the hole deeper and deeper if we don't stop this reliance on foreign oil, and if we don't start doing something about increasing our supply here at home.

It turns out that we have plenty of opportunities, which I will get to in just a moment.

One other fact that I think is important to note is that 36 refineries have closed since 1992. We have had no new refineries built in this country since 1976. It is not only the fact that we have less oil being produced in the United States, but also that less oil product is being refined in this country primarily because of the stringency of environmental regulations.

What has been the administration's policy? Its energy policy says that we should have a mix of energy sources. But let's look at the facts.

We have the lowest production in this country since world War II. We are importing more oil than ever before. We have regulations and taxes designed basically to close the oil industry. The President himself vetoed a bill to open so-called ANWR in 1995 with 16 billion barrels of oil—that is about a 30-year supply of imports from Saudi Arabia—and has instead advocated increasing royalty rates, which, of course, would make foreign investment even more attractive to U.S. companies and cause them to not want to produce oil here in this country.

I get letters from constituents who say we should close down any offshore drilling or any drilling of oil in the Alaska reserve. I think these people need to appreciate that there was an area cut out of the wilderness area in Alaska and designated specifically for the production of oil. It is a very small area. We created a vast new wilderness on the North Slope of Alaska. It is a beautiful area. I have been there. But we created a very small island in there in effect that does not have any particular environmental benefit compared to the areas around it. We said in that particular area we would explore for oil. It is in that area that we are talking about producing this 16 billion barrels of oil.

I have been to that area. I suggest anybody who believes we should not pursue the exploration for oil in that area ought to visit it. I think they will see two things. First, we have found a way to drill for oil that is very environmentally safe and benign. In effect, in a very small area about the size of this Senate Chamber, up to 10 wells can be drilled at a depth of about 10,000 feet with another 10, 15, or more thousand feet of drilling horizontally to a point of oil. We have a very small area where the oil drilling is actually evident from the surface of the Earth but a very large area underneath from which the oil is taken. This is done in an extraordinarily environmentally safe way. You cannot even tell, when you are on the surface, what is being done.

We can explore for and obtain oil from these sites, such as the Alaska oil, as well as offshore sites, using the same technology without environmental damage. However, the administration has precluded us from doing so.

Now, we have a great deal of coal, much low sulfur. The cleanest coal in the lower 48 States was locked up when the President declared the large area of Montana a national monument and, therefore, we could not take advantage of the low-sulfur coal that is located in that area.

Nuclear power is the cleanest of all, but this administration has been opposed to nuclear power. In fact, there have been no new power plants, and the President, of course, vetoed the nuclear waste disposal bill. This is essential for the further development of nuclear power.

With respect to hydropower, we have a Secretary of Interior who says he was to be the first Secretary to tear down dams. We cannot produce hydropower without dams.

With respect to natural gas, vast areas of coal development in both the OCS and the Rocky Mountain area have been closed to natural gas.

The bottom line is this administration's policy is not conducive to the development of new sources of energy in the United States, even environmentally safe, environmentally benign sources. Instead, virtually every policy this administration has pursued has had the effect of reducing U.S. oil production and increasing our reliance upon foreign sources. All that does is enable those foreign sources to take advantage of this reliance by reducing their production and jacking up the price. American consumers are paying the result of that at the pump.

I have one or two other statistics. Since the start of the Clinton-Gore administration, according to Senator MURKOWSKI's figures, domestic oil production in the United States has fallen by 17 percent for the reasons I articulated. We can't, with that level of reduction in U.S. oil production, maintain a level which enables the U.S. to control our own destiny in terms of the price of oil. We are already spending over $100 billion per year on foreign oil, about a third of our trade deficit.

As a result of these facts, I have joined with Senator LOTT, our majority leader, and others, in introducing the National Energy Security Act of 2000, S. 2557, the goal of which is to roll back our dependence on foreign oil to a level below 50 percent.

In conclusion, there has been a lot of finger pointing. Some say it is the result of taxes. I support, at least temporarily—in fact, I would support permanently—removing the 18.4-percent Federal gas tax. People say that is only a drop in the bucket. It is almost 20 cents on the price of a gallon of gas. That is not peanuts if you have to fill your car as much as a lot of folks do.

The EPA has been changing its mind about additives. In some parts of the country that has increased the cost of a gallon of gasoline.

We have fewer refineries, as I indicated.

Most of all, it is ''the chickens are coming home to roost'' answer that Senator DOMENICI provided; namely, that we have decreased the United States oil production at the same time we are relying more and more on foreign oil. The net result of that should come as no surprise to anyone. We are going to have to pay higher prices at the gas pumps as a result.

It is time that the United States had a clear strategy, a good energy policy, that promoted the development of oil resources in the United States in a safe and environmentally clean way. That can be done. I believe under a new administration which is focused on developing an energy strategy that will suit the American people, it will be done.

I thank Senator THOMAS for making some of his time available to talk about this important subject.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Wyoming.

Mr. THOMAS. Mr. President, I thank the Senator from Arizona.

Quite often we have difficulties, we have problems, and we really don't think about the policy that has created it—or in this case, the lack of policy.

I think it is very important that as we have the great growth of energy use in this country, that we take a look at our policy and not let ourselves become captives of overseas production.

M/V ''MIST COVE''

Mr. THOMAS. I ask unanimous consent that the Commerce Committee be discharged from further consideration of H.R. 3903, and the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 3903) to deem the vessel M/V MIST COVE to be less than 100 gross tons, as measured under chapter 145 of title 46, United States Code.

There being no objection, the Senate proceeded to consider the bill.

Mr. THOMAS. Mr. President, I ask unanimous consent the bill be read the third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

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

The bill (H.R. 3903) was read the third time and passed.

OCEANS ACT OF 2000

Mr. THOMAS. Mr. President, I ask unanimous consent the Senate proceed to the consideration of Calendar No. 568, S. 2327.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2327) to establish a Commission on Ocean Policy, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3620

(Purpose: To establish a Commission on Ocean Policy, and for other purposes)

Mr. THOMAS. Mr. President, Senator HOLLINGS has a substitute amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. THOMAS], for Mr. HOLLINGS, proposes an amendment numbered 3620.

Mr. THOMAS. I ask unanimous consent reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. MCCAIN. Mr. President, I rise in support of S. 2327, the Oceans Act of 2000. This bill would establish a Commission on Ocean Policy to assess the problems that face our nation's coastal regions. Over half of the U.S. population lives in these areas and they are the source of one third of our gross domestic product. Clearly, the current problems faced in our coastal areas cannot be left unattended. Senator HOLLINGS, the ranking member on the Commerce Committee, has worked hard on this legislation. I am pleased that the Committee was able to report this bill in the most expeditious manner.

The Commission will examine current programs and policies related to coastal and Great Lakes regions, and determine whether the problems in such areas are adequately addressed by current laws, regulations, and public policy. The 1966 Stratton Commission, also the result of the hard work of Senators HOLLINGS, STEVENS, and INOUYE, led to the establishment of the National Oceanic and Atmospheric Administration and the enactment of the Coastal Zone Management Act. While the Stratton Commission provided an invaluable service to our nation, over thirty years have passed since that landmark study. Now it is necessary to reexamine the programs, policies, and state of America's coastal areas.

The Commission established by this bill will issue recommendations to the President and Congress to develop an effective and efficient national policy for our coastal regions. Mr. President, it is time for a comprehensive review of the policies that affect so many Americans.

I thank Senator HOLLINGS for his hard work and determination to address this issue. Mr. President, I urge the Senate to pass the Oceans Act of 2000.

Mr. HOLLINGS. Mr. President, I rise today in support of Senate passage of S. 2327, the Oceans Act of 2000. The bill calls for an action plan for the twenty-first century to explore, protect, and make better use of our oceans and coasts. Its passage is, quite simply, the most important step we can take today to ensure an effective, coordinated and comprehensive ocean policy to guide us into the new millennium.

I thank my colleagues in the Commerce Committee for their support, in particular, Senators SNOWE, KERRY, and STEVENS, for their cosponsorship and their efforts over the last several weeks to bring this bill to the floor. Following in the Commerce Committee tradition with respect to ocean issues, this has been a bipartisan process. I also thank the other cosponsors of the legislation, Senators BREAUX, INOUYE, BOXER, LAUTENBERG, MURKOWSKI, LIEBERMAN, AKAKA, FEINSTEIN, CLELAND, MOYNIHAN, MURRAY, REED, SARBANES, SCHUMER, WYDEN, LANDRIEU, MURKOWSKI, CHAFEE, and ROTH for their continued support. Finally, I want to express my appreciation to the numerous industry, environmental, and academic groups who agree that the time has come for this bill.

Mr. President, it is critical that we enact the Oceans Act of 2000 this year as we pass through the gateway to a new millennium. The oceans are again beginning to receive the attention they received in 1966 when we enacted legislation to establish a Commission on Marine Science, Engineering, and Resources (known as the Stratton Commission for its chairman Julius Stratton) to recommend a comprehensive national program to explore the oceans, develop marine and coastal resources, and conserve the sea. The Stratton Commission's report and recommendations have shaped U.S. ocean policy for three decades, and resulted in the creation of the National Oceanic and Atmospheric Administration (NOAA) under Presidential Reorganization Plan Number Four, as well as most of the major marine conservation status NOAA implements. These include the National Marine Sanctuaries Act, the Magnuson-Stevens Fishery Conservation and Management Act, and the Coastal Zone Management Act.

Where the Stratton Commission performed its work with vision and integrity, the world has changed in myriad ways since 1966. Ocean and coastal issues are growing more popular day by day, but we are able to make the necessary headway to ensure they get the attention and priority they deserve. Consider the following quote from the National Research Council's report entitled Striking a Balance, Improving Stewardship of Marine Areas:

The findings of the Marine Board studies have revealed a strong interest in the nation's coastal and marine areas by present and potential offshore industries, coastal states responsible for resource development and environmental preservation of their offshore regions, and the ocean research community. Little has been done, however, to devise a comprehensive regulatory or management framework for current or future activities in federal and state waters or on or under the seabed in the U.S. Exclusive Economic Zone. The need for a regulatory and