

Corporation supplies halal food and food service equipment to restaurants, hotels, and distributors throughout the world. This company was started in 1972 by Cedar Rapids native Bill Aosse. When Bill returned to Iowa after serving in the Peace Corps and traveling throughout the Middle East, he came up with the idea of starting a company dedicated to exporting Iowa products. Now, 33 years later, Bill has a lot to show for this hard work. He employs 30 Iowans and the Midamar Corporation is very much a clear success.

I visited the Midamar facility last August and I can report Bill Aosse and his employees are very enthusiastic about this prospect of a trade agreement with Bahrain being implemented so they can even do more business in the Middle East.

Aside from the immediate benefits to United States exporters to Bahrain, this agreement's impact will extend beyond Bahrain. The United States is promoting trade liberalization and economic growth in other countries in the Middle East and this agreement will serve as the template for other trade agreements being negotiated in the region. The solid gains for U.S. farmers, workers, manufacturers, and service providers found in this agreement may be replicated in other free trade agreements of their region.

This has already happened with the country of Oman. The United States recently concluded a free trade agreement with Oman that was based largely upon our agreement with Bahrain so the benefits to HNI Corporation, Lennox, and Midamar that I have identified will be multiplied as other Arab countries adopt free trade agreements with the United States that are based largely upon the Bahrain agreement.

This is all part of a broader goal and that was expressed in May 2000 by President Bush proposing a plan of graduated steps for Middle Eastern nations to increase trade and investment with the United States and others in the world economy, culminating with the establishment of the Middle East Free Trade Agreement by the year 2013. The importance of this vision of President Bush was brought home on July 22, 2004, when the report of the 9/11 Commission was released. That report contains as one of its key recommendations that "comprehensive United States strategy to counterterrorism should include economic policies that encourage development, more open societies and opportunities for people who improve the lives of their families and to enhance the prospect of their children's future."

Our trade agreement with Bahrain is an important achievement in that area and joins previously concluded bilateral trade agreements between the United States and Israel, Jordan, and Morocco. The agreement with Bahrain is an important part of a broader effort to encourage development, more open societies, and opportunities for people to improve the lives of their families

and to enhance prospects for their children's future throughout the Middle East.

Finally, I urge my colleagues to support this bill before the Senate implementing the United States-Bahrain Free Trade Agreement.

Mr. BAUCUS. Mr. President, today we begin debate on the free trade agreement between the United States and Bahrain. This is an agreement that strengthens our ties with a stalwart ally in a troubled part of the world. It is an agreement with a leading reformer in the Middle East, and with the most open economy in the Arab world. And it is an agreement worthy of our support.

On the first day of enactment of the U.S.-Bahrain Free Trade Agreement, 100 percent of trade in manufactured goods will be duty free, opening up markets for U.S. exports of motor vehicles and parts, medical equipment, refrigeration equipment, et cetera. Agricultural exports are also expected to rise, and I hope Montana beef is among them.

The services chapter is the most robust of any agreement the United States has negotiated. Bahrain has promised American companies doing business in the kingdom a regime free of barriers, modern in its regulation, and respectful of intellectual property rights.

For Bahrain, this agreement means greater integration into the world economy, a better environment for its workers, and a pioneering role in the Arab world. For the Middle East as a region, I hope this agreement is a firmly planted seed that will grow prosperity, openness, and stability.

A strong agreement such as this one does not automatically happen. It takes hard work. It takes perseverance, followthrough. It takes vision. Fortunately, the United States and Bahraini officials have these qualities in spades. I applaud their hard work. Ambassador Belooshi—who, I might add, is observing these proceedings close by, very close, I might add—of the Kingdom of Bahrain typifies the courageous action and progressive thinking the Bahrainis have shown through the FTA process, and we should applaud him for it. He has done a super job.

I also applaud Ambassador Rob Portman and his predecessor, Bob Zoellick. Ambassador Zoellick negotiated a strong agreement, and Ambassador Portman saw it through. Ambassador Portman listened to Senators' interests in monitoring Bahrain's end to its boycott of Israel, and together we worked out a solution. He has been equally energetic and flexible in working with my colleagues in the House Ways and Means Committee to alleviate their concerns, especially on labor.

I also applaud the very capable and energetic staff of the USTR. They are dedicated public servants, putting in long hours and endless effort into their work. They do a super job.

This is the first FTA to come before us since the very contentious Central American Free Trade agreement.

The overwhelming support I expect the Bahrain agreement to secure is a testament to what can be achieved when the administration and the Congress work together to address concerns.

The Bahrain FTA shows that when the administration keeps an open dialogue with Congress, we can find common ground and achieve our common goals. I hope that we can continue to build upon the success of this FTA in helping to heal the wounds of previous battles.

I think we have before us a model for open dialogue, and for congressional support for trade liberalization.

I hope that we can take this model and apply it to much larger trading partners and even bolder agreements. Agreements that will open bigger markets, realize greater opportunities, and make our industries even more competitive.

Mr. President, I am pleased to support the U.S.-Bahrain free trade agreement. I urge my colleagues to pledge their support as well.

#### BUDGET RECONCILIATION

Mr. GRASSLEY. Mr. President, I also take this opportunity to speak on a motion to instruct conferees on the Byrd amendment.

Yesterday, a Senator sent a letter to the majority leader saying he would oppose the reconciliation bill if we used repeal of the Continued Dumping and Subsidy Offset Act to achieve billions in budget savings. While disappointed, I was not surprised. In fact, I say, join the club.

Already, one Senator told me he would oppose reconciliation unless specific provisions on specialty hospitals were not included. Several other Senators threatened to vote against the reconciliation bill unless the MLLC Program was not extended. Another Senator told me he will vote no if we save money by trimming waste from the Medicaid Program. A group of southern Senators said they would vote no on the reconciliation bill if the Grassley provision on payment limits in the farm program became a part of the bill.

So, no savings from the CDSOA repeal; no savings from the MLLC Program; no savings from Medicaid; no savings from payment limits. With everyone threatening to vote "no" there will be no savings in any Federal program, ever.

Everyone says they are for balanced budgets as long as it is someone else whose budget is cut to get the job done—not their pet issue. We need to ask ourselves whether we want to trim the Federal budget or not. If not, what does the Republican Party stand for?

The most egregious threat has to be over budget savings from the repeal of the Continued Dumping and Subsidy

Offset Act. This program is Government pork at its worst. It takes money that should go to the treasury of the United States and it transfers that money to a select group of companies. Talk about special interests, Mr. President. Plus there are very few limits on what these companies can do with the money that is raised by an act of Congress.

According to the General Accounting Office, one recipient even used the money to pay off his home mortgage. The program is so bad it did not even pass during the light of day a few years ago. Instead, it was pushed into a conference report before it could receive scrutiny by either House of Congress. Ironically, some are arguing that budget reconciliation shouldn't be used to save money by repealing this amendment. They argue it should go through the regular order. I don't know why they would argue this given the provision never went through regular order before it became law in the first place.

Here, unlike passage a few years ago of this bad amendment, repeal went through regular order in the House. Repeal just a couple weeks ago went through regular order in the House where that amendment had never even been considered by the other body when it was originally adopted a few years ago.

So let me be clear. We are not talking about repealing any aspect of our trade remedy laws. Every trade protection that has been in place for years stays in place. What we are talking about is getting rid of a Government subsidy program that enriches the few at the expense of the many.

A recent report from the Government Accountability Office shows this in very stark detail. Over \$1 billion has been distributed so far under this program. One company alone—one company alone—of that \$1 billion received almost 20 percent of the disbursements, and the top 5 recipients account for almost half of those disbursements.

You do not have to cast a very wide net to see where this corporate welfare is going. Just 39 companies account for over 80 percent of the disbursements. And the World Trade Organization has authorized a number of our trading partners to retaliate against us. This is where, to help a few companies through this amendment, we are going to end up hurting a lot of American producers, some of them in our powerful agriculture, and maybe end up hurting every consumer in America. As a result, innocent U.S. exporters are taking a big hit so the lucky few can continue guzzling at the public trough.

Already, our exporters face additional duties imposed by Japan, Canada, Mexico, and the European Union. Here is where it affects some products. Our producers of live swine, fish, oysters, cigarettes, dairy products, wine, paper products, clothing, sweet corn, industrial belts, steel products, forklift trucks, printing machines, and others, are all bearing the brunt of sanctions

against some American companies because we have a law on the books that violates our international agreement and at the same time benefits a handful of major companies in America.

It happens that Brazil, Chile, India, and South Korea could soon impose sanctions. As more countries exercise their authority to retaliate and as payments under this program continue to grow, innocent U.S. exporters—the ones I have listed and others—and, more importantly, their employees, will continue to be hurt more and more as time goes on. That is not right. This situation needs to end.

The Government Accountability Office report points out some other ridiculous aspects of this program, such as the complete lack of accountability. Recipients of funds under the program submit claims based upon qualifying expenditures, but there is no way to tell whether those claims are even justified. In fact, the evidence suggests they may not be justified.

In 2004, company claims were about \$1.3 trillion. Mr. President, I said that right: Companies were making claims for \$1.3 trillion. The gross domestic product of the United States in 2004 was \$11.75 trillion. So if the 770 recipients of funds under the Continued Dumping and Subsidy Offset Act, referred to as the Byrd amendment, are to be believed, they spent about 11 percent of the U.S. gross domestic product last year on qualifying expenditures.

I understand that in the year 2005—the year now ending—claims are about \$3.2 trillion. That is equivalent to one-quarter of the GDP of the entire United States of America.

I think those figures show the magnitude of the incentive for fraud under this program. The proponents of this program ought to be embarrassed. This program is bad economic policy, bad trade policy, and bad Government to use the power of Government to end up giving a few companies in this country the benefit of the Federal Government's power to tax.

It should be repealed, as the House has done. I hope that coming out of conference we can have this provision in there. I hope we will not instruct conferees to disagree with the House. In the process of doing this, we are going to put \$3.2 trillion into the Federal Treasury instead of having it go as corporate welfare to a handful of companies.

If we cannot repeal such a blatant example of Government pork to save money during a time of skyrocketing budget deficits, then why are we here as representatives of the people at all? Are we here to protect the pockets of a select few, or do we want to do, and will do, what is in the best interests of our Nation?

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

#### A NEW AMERICAN RENAISSANCE

Mr. BAUCUS. Toward the end of the 14th century, Emperor Manuel II

Palaeologus ruled a waning Byzantine Empire. Looking across the Bosphorus, he saw a growing threat from the Moslem Ottoman Turks. In 1390, he sent an embassy up the Adriatic Sea to Venice to build alliances. And to head the mission, he named the 35-year-old Manuel Chrysoloras.

Although his embassy to Venice did not prosper, Chrysoloras' reputation did. And in 1396, the chancellor of the University of Florence invited him there to teach Greek. The chancellor wrote: "[W]e firmly believe that both Greeks and Latins have always taken learning to a higher level by extending it to each other's literature." Chrysoloras accepted.

But no one in Italy had studied Greek for 700 years. Chrysoloras began. He taught Greek in Florence, Bologna, Venice, and Rome. He translated Homer and Plato. He wrote the first basic Greek grammar in Western Europe.

As the early renaissance poet Dante Alighieri wrote in *The Divine Comedy*, "A great flame follows a little spark." The flame of learning spread through the rest of Europe, reconnecting the West with classical antiquity, experimentalism, and the desire to live well.

Chrysoloras and scholars like him helped to begin the scientific revolution and artistic transformation that would become known as the Italian Renaissance. Europe emerged from the backwater. Commerce and exploration burst forth. The Modern Age began.

Renaissance historian Matteo Palmieri exhorted a fellow Italian of the mid 15th century to "[t]hank God that it has been permitted to him to be born in this new age, so full of hope and promise, which already rejoices in a greater array of nobly-gifted souls than the world has seen in the thousand years that have preceded it."

With the Renaissance, Western Europe began its domination of the world economy. The West has held this power so long that it is easy—especially for us here in the West—to take it for granted. But it need not have been so.

In the century leading up to the year 1000, Moorish Spain could claim a far more advanced civilization than that of Christian Italy. Cordoba's streets were paved and lit. Cordoba had 300 public baths and 70 libraries. Cordoba's great central library alone held 400,000 books—more than all of France. The Arab postal service delivered regular mail as far as India. Arab civilization was internally creative. And Arab thinkers of the time were open to Persian and Indian science, as well.

In the 12th century, an English scholar named Adelard of Bath traveled through the Islamic lands of Spain, North Africa, and Asia Minor. Adelard reported: "The further south you go, the more they know. They know how to think."

And Adelard carried back from the south a way of thinking. He said: "Although man is not armed by nature, nor is naturally swiftest in flight, yet