

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

he has something better by far—reason.”

The advanced Moorish state suffered civil conflict and fell to the less-developed Christian states of Europe. Finally, on January 2, 1492, the leader of the last Muslim stronghold in Granada surrendered to armies of a resurgent, newly-united Christian Spain. The remaining Spanish Muslims were forced to leave Spain or convert to Christianity.

At the end of the first millennium, Arab Spain had the most advanced science and economy of its day. But in the centuries that followed, it fell to a newly-emergent Western Europe.

At the end of the first millennium, Western Europe slumbered in its Dark Ages. But in the next centuries, it emerged into the Renaissance.

We here today inherit the legacy of the Italian Renaissance. We have absorbed the learning of the Arab Caliphates. And we inhabit the land made known to Europeans by another voyage of 1492.

At the end of the second millennium, America has the most advanced science and economy of our day. But we cannot take that leadership for granted.

In the centuries ahead, if America wishes to remain the most advanced economy of our day, we will need to create a new American renaissance.

We need this new American renaissance, because leadership does not come from continuing to do what we do already. Smart people in China and India and around the globe are quickly learning how to do what we do now. And people in China and India and around the globe will be able to do it more cheaply.

Instead, leadership comes from constant innovation. Leadership comes from rapidly adjusting what we do to what the market demands. And leadership comes from serving the customer. Fortunately, these are characteristics at which Americans excel.

This is my eighth Senate floor statement this year on competitiveness. I began in June with a general statement on competitiveness and America's place in the world. In June, I also spoke of education and competitiveness. In July, I spoke of trade and competitiveness and health care and competitiveness. In September, I spoke of savings and competitiveness. In October, I spoke of energy and competitiveness. In November, I spoke of immigration and competitiveness. And today, I conclude this series of addresses with this discussion of the need for the new American renaissance.

My message is this: To foster this continuing American renaissance, American government cannot stand idly by. Remaining economically competitive will require action. Let me summarize my six-step agenda for action. This is what we need to do:

First, we must improve education. The Italian Renaissance relied on the learning of the Greeks that Manuel Chrysoloras helped to spread. The new

American renaissance will rely on our having the best educated workforce of the centuries to come.

We need to ensure that children come to school ready to learn. We need to ensure that children have modern and well-equipped schools. And we need to ensure that children have small classes.

We should raise salaries for teachers in poor schools by 50 percent. We should raise the salaries of top-performing teachers and teachers in math, science, and languages by another 50 percent.

We can ensure quality afterschool programs. We can lengthen the school year.

We must support community colleges and link them more strongly to workforce opportunities. We must expand Pell Grants. We must improve, consolidate, and expand education tax incentives. We must expand and extend the deduction for tuition expenses. We must increase scholarships and loan forgiveness for science and engineering students. We must expand the Hope and Lifetime Learning credits.

We need to make it possible for non-traditional students to obtain an education. We need to retrain workers whose jobs are lost to trade and help them reenter the workforce.

We should make it easier, consistent with the requirements of national security, for foreign students to study in America.

We should make visa renewals during multiyear studies routine. And we should change visa renewal requirements policies that are now contingent on students' return to their home countries.

Second, we must foster research. For it was discovery that helped bring about the renaissance.

We need to reward innovation and risk-taking. We need to fully fund research support organizations like the National Science Foundation, the National Institutes of Health, and the Office of Science at the Department of Energy. We need to simplify and make permanent the R&D tax credit.

We should encourage talented foreign students to study, research, and innovate at American universities and research institutions. And we should simplify the permanent residence process for exceptional foreign students with advanced science degrees from American universities.

Third, we have to advance international trade. Insularity characterized the Dark Ages. The Renaissance spread from an international spark. And the ensuing blaze of international commerce brought on the Modern Age.

We must open new markets for American exports worldwide. We must improve enforcement of existing trade agreements. We must do more to defend American intellectual property rights. And we must prompt China to further loosen its currency.

We should look more to Asia for bilateral agreements. We should advance

regional trade agreements in Asia. We should seek out further sectoral agreements such as the WTO's Information Technology Agreement. And we should launch an initiative in the advanced medical equipment sector.

We need to expand trade adjustment assistance to service workers. And we need to expand wage insurance.

We can make it easier for major American companies to employ and train their overseas employees. And we can facilitate international participation in meetings and conferences and travel to trade shows.

Fourth, we must address the burden that high health care costs place on American business. And we must help provide health insurance to those who do not have it.

We can provide health insurance tax credits to small employers. We can fund employer-based group-purchasing pools. We can increase funding for high-risk pools. We can expand Medicaid and the State Children's Health Insurance Program. We can permit a Medicare buy-in for the near-elderly.

We need to facilitate the use of health information technology. We need to use health IT to link medication administration to a patient's clinical information. We need to foster standards for the interoperability of health IT systems. We need to improve healthcare providers' ability to exchange clinical data. And we need to provide loans and grants to encourage the use of health IT. The Senate has passed legislation this session to further many of these health IT goals. The House must do it, too, and move quickly to provide higher Medicare reimbursements and work to improve quality of care, known as "pay-for-performance."

We should provide higher Medicare reimbursements to providers working to improve the quality of delivered care. And we should coordinate senior care to ensure adequate preventive care and chronic condition management. This year's Senate-passed spending reconciliation bill took the first steps toward pay-for-performance. Although there is much in that bill that gives me pause, we should enact those pay-for-performance changes.

Fifth, we must increase national savings to finance the investment and innovation of the next renaissance.

We need to plug the biggest leak in our national savings pool: the federal budget deficit. We need to truthfully report current and future Federal Government spending needs. We need to restore pay-as-you-go rules for both entitlement spending and tax cuts.

We should reduce the annual tax gap. We should eliminate wasteful and unnecessary spending. We should eliminate wasteful and unfair tax breaks, such as abusive tax shelters and corporate tax loopholes. And we should slow the growth in healthcare costs.

We can increase private savings. We can improve financial education. We can encourage automatic enrollment of

eligible workers in retirement savings plans. We can bring payroll-deduction retirement savings to private sector workers lacking 401(k)s or similar plans. We can make incentives for saving more progressive. And we can extend the Savers' Credit and expand it to Americans with no income tax liability.

Sixth, for a modern renaissance, we must address the need for sustainable and environmentally compatible sources of energy.

We can launch a new "Manhattan Project" to develop clean alternative energies. We can foster the use of hydrogen and fuel cells. We can foster wind energy. We can make a clear commitment to the development of biomass and ethanol-based fuels.

We should encourage energy R&D through research grants to industry and educational institutions and tax incentives for R&D. We should offer prizes to spur innovation.

We need an investment tax credit for coal gasification technology. We need a tax credit for companies that generate fuel using an updated version of the F-T process. And we need a Federal loan guarantee so that companies can finance these capital investments. This year's energy and highway bills addressed some of these needs.

Taken together, these policies form a bold agenda to advance American competitiveness. They can help maintain American economic leadership in the world. And they can help to preserve high-wage American jobs here at home.

Beginning next month, I will introduce a comprehensive 2006 legislative package to strengthen America's competitiveness in a changing world. This package will encompass several bills that cover the many aspects of competitiveness. I invite my colleagues to join me in this effort.

The early Renaissance poet, Dante Alighieri, embodied the spirit of his times when he wrote in *The Divine Comedy* that people "were not born to live like brutes, but to follow virtue and knowledge."

And from that grounding of virtue and knowledge flowed naturally Dante's description: "And thence we came forth, to see again the stars."

Let us follow virtue and knowledge and foster a new American renaissance. Let us strengthen America's competitiveness in a changing world. And let America again go forth, toward the stars.

I yield the floor, and 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. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Senator from North Dakota is recognized.

BAHRAIN FREE TRADE AGREEMENT

Mr. DORGAN. Mr. President, my understanding is that the Senate is taking up the free-trade agreement with Bahrain. Of all the priorities that exist in our country dealing with the subject of trade, somewhere close to last would be a trade agreement with Bahrain. Nothing against the country of Bahrain. I am sure it is a wonderful place. I have not actually visited there. But I believe the total trade between our country and Bahrain is somewhere in the neighborhood of \$700 million, less than \$1 billion on both sides of the ledger.

There are all kinds of trade problems our trade officials ought to be working on. But a free-trade agreement with Bahrain would not rank right near the top. Let me tell you what would rank near the top.

We are deep in debt with respect to international trade. This country is in desperate trouble with respect to trade. We are now experiencing a trade deficit of over \$700 billion a year. That means every single day, 7 days a week, we buy more from abroad than we sell in exports, \$2 billion a day every day 7 days a week. How long can a country sustain that?

We have lost 3 million jobs in this country in the past 4 years—3 million jobs—going to China, to Vietnam, Bangladesh, Indonesia, and more.

So what is all of this about? It is about a new strategy, a strategy developed in the past two to three decades, but accelerated now more recently. It is a strategy that says we are a global economy, and because it is a global economy, enterprises, corporations, and others should take a look around this world and find out where these 1 to 1.5 billion people are who will work for pennies an hour, employ them, shut down your U.S. manufacturing plant, hire the employees in China or Bangladesh, for example, and it will all work out because they will work for 30 cents an hour, and they will build bicycles and wagons and produce textiles and other things. And then you can ship it to a big box retailer in this country, and someone can walk through the front door of that big box retailer and buy a cheap product.

I noticed last year at Christmastime there was a woman from Texas who decided she was going to buy her children some presents, and she wanted to make a point of buying American made products. So she started shopping, and she discovered she could not purchase one present for her children that was made in the United States.

What does it mean? It means our country is changing and our country is, in my judgment, being hollowed out. Jobs are being lost, the middle class is shrinking because we have been told now American workers must compete with others around the world who are willing to work for 30, 40, 50 cents an hour, work without health insurance, without a retirement, and work under

the threat, in many cases, if they would like to organize as workers, of being sent to prison.

I can actually give names of people now sitting in prison in China whose transgression was deciding to try to organize workers because the conditions in those plants were awful. So there are people who tried to organize workers, were arrested, and now are sitting in prison. Those are the conditions under which we are now trading.

One-third of our trade deficit, incidentally, is with the country of China. Last month, we sold China \$3 billion worth of American goods—\$3 billion. And we purchased from China \$23 billion in goods.

China has almost 1.4 billion people, and we are told this is going to be a huge market for American production. The creation of a middle class in China is going to be terrific for our country because we will be able to produce and sell into the Chinese marketplace.

It is not working out that way, of course. What is happening is China sells us \$23 billion worth of goods produced in China, and we sell them only \$3 billion worth of goods produced in America, \$20 billion-a-month trade deficit with China. On an annual rate, that is a \$240 billion deficit with China in a year. That is unbelievable. And this Congress is perfectly content to dose through it all; in fact, probably a very satisfactory sleep for most because they still are willing to stand on street corners and chant about this so-called free trade that is not free at all.

Some will say, and I think perhaps most who have studied economics will say, that this is unsustainable. This country is headed toward some white-water rapids with these kinds of trade deficits. We are not only losing American jobs because American workers are being told they cost too much money, and we are going to produce elsewhere, but we are also up to our neck in debt.

Incidentally, the trade deficits are financed by selling part of our country. Every single day we sell another \$2 billion worth of our country to foreigners. That is the way the trade debt is financed.

In most recent months, one of General Motors' top executives called in about 300 of the top executives of the companies they buy parts from and said this to them: You are the companies from which we buy automobile parts. We want you to begin producing those parts in China. You need to move those parts to China. Get your production done in China. We are about driving down the costs.

Then we see Delphi, which was formerly part of General Motors and then spun off as the largest automotive parts producer, going through bankruptcy, and Delphi says to the public: The problem is we have people making \$20 to \$30 an hour. That is up to \$40,000, \$50,000, \$60,000 a year. What we want to do is get to a point where we have people making \$8 to \$10 an hour. In fact,