

United States and Australia already enjoy a strong trade relationship. The U.S.-Australia FTA will further open Australia's market for U.S. manufactured goods, agricultural products, and services, and will promote new growth in our bilateral trade. As soon as this FTA enters into force, tariffs will be eliminated on almost all manufactured goods traded between our countries, providing significant export opportunities for American manufacturers. American farmers will also benefit due to the elimination of tariffs on all exports of U.S. agricultural products.

The U.S.-Australia FTA will also benefit small- and medium-sized businesses and their employees. Such firms already account for a significant amount of bilateral trade. The market opening resulting from this Agreement presents opportunities for those firms looking to start or enhance participation in global trade.

In negotiating this FTA, my Administration was guided by the negotiating objectives set out in the Trade Act of 2002. The Agreement's provisions on agriculture represent a balanced response to those seeking improved access to Australia's markets, through immediate elimination of tariffs on U.S. exports and mechanisms to resolve sanitary and phytosanitary issues and facilitate trade between our countries, while recognizing the sensitive nature of some U.S. agricultural sectors and their possible vulnerability to increased imports.

The U.S.-Australia FTA also reinforces the importance of creativity and technology to both of our economies. The Agreement includes rules providing for strong protection and enforcement of intellectual property rights, promotes the use of electronic commerce, and provides for increased cooperation between our agencies on addressing anticompetitive practices, financial services, telecommunications, and other matters.

The Agreement memorializes our shared commitment to labor and environmental issues. The United States and Australia have worked in close cooperation on these issues in the past and will pursue this strategy and commitment to cooperation in bilateral and global fora in the future.

With the approval of this Agreement and passage of the implementing legislation by the Congress, we will advance U.S. economic, security, and political interests, and set an example of the benefits of free trade and democracy for the world.

GEORGE W. BUSH.
THE WHITE HOUSE, July 6, 2004.

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REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4754, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2005

Mr. LINDER, from the Committee on Rules, submitted a privileged report (Rept. No. 108-583) on the resolution (H. Res. 701) providing for consideration of the bill (H.R. 4754) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2005, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ANNOUNCEMENT BY COMMITTEE ON RULES REGARDING AMENDMENTS TO H.R. 3574, STOCK OPTION ACCOUNTING REFORM ACT

Mr. LINDER. Mr. Speaker, the Rules Committee may meet this week to grant a rule which could limit the amendment process for floor consideration of H.R. 3574, the Stock Option Accounting Reform Act. The Committee on Financial Services ordered the bill reported on June 15, 2004, and has yet to file its report with the House.

Any Member wishing to offer an amendment should submit 55 copies of the amendment and one copy of a brief explanation of the amendment to the Committee on Rules in room H-312 of the Capitol by 10 a.m. on Thursday, July 8. Members should draft their amendments to the text of the bill, as reported, on June 15, the text of which will be available later this evening on both the Committee on Financial Services' and Committee on Rules' Web sites.

Members should use the Office of Legislative Counsel to ensure that their amendments are drafted in the most appropriate format. Members are also advised to check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

ANNOUNCEMENT BY COMMITTEE ON RULES REGARDING AMENDMENTS TO H.R. 2828, WATER SUPPLY, RELIABILITY, AND ENVIRONMENTAL IMPROVEMENT ACT

Mr. LINDER. Mr. Speaker, the Committee on Rules may meet this week to grant a rule which could limit the amendment process for floor consideration of H.R. 2828, the Water Supply, Reliability, and Environmental Improvement Act. The Committee on Resources ordered the bill reported on May 5 of 2004 and filed its report with the House on June 25, 2004.

Any Member wishing to offer an amendment should submit 55 copies of the amendment and one copy of a brief

explanation of the amendment to the Committee on Rules in room H-312 of the Capitol by 10 a.m. on Thursday, July 8. Members should draft their amendments to the text of the bill as reported by the Committee on Resources.

Members should use the Office of Legislative Counsel to ensure that their amendments are drafted in the most appropriate format. Members are also advised to check with the Office of the Parliamentarian to be certain that their amendments comply with the rules of the House.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. GINGREY). Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

IRAQ'S TRANSITION: WHO ARE OUR ENEMIES AND WHY DO THEY HATE US

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. COLE) is recognized for 5 minutes.

Mr. COLE. Mr. Speaker, I rise today to speak about Iraq's transition to democracy and what it holds for our future.

Mr. Speaker, like all Americans, I was pleasantly surprised on June 28 when the Coalition Provisional Authority transferred power to the Iraqi interim government 2 days ahead of schedule. This was an important first step toward demonstrating that America fulfills its promises. Iraq is again a self-governing sovereign state.

However, with that said, we face many challenges in the days ahead. The anti-democratic insurgency in Iraq is still a reality that we and the sovereign and legitimate government of Iraq must confront every day.

Mr. Speaker, in dealing with this insurgency, we must first ask ourselves the questions that opponents of the war in Iraq often fail to raise: Who are the insurgents? And why do they hate us and the new government in Iraq?

It is clear from studying this situation in Iraq, the insurgency is not made up of one group of people united around a common message. Rather, it is an insurgency based upon disparate groups with differing and conflicting agendas.

It is clear that we face an unholy alliance of four different, but overlapping, groups: Baathists, radical theocrats, transnational terrorists, and common criminals.

Each of these groups has differing objectives. The Baathists yearn for the day that they once again can control Iraq. This Fascist party formed the basis of the Hussein regime; and at its core it is corrupt, brutal, and anti-democratic.

The radical theocrats and fundamentalists, like Moqtada al Sadr, desire

the installation of a revolutionary theocratic government like that of Iran. Such a government will most certainly be anti-democratic and inherently repressive. Those who desire such a government do not have the support of the majority of Iraqis.

The foreign fighters and transnational terrorists can be divided into two categories: the first is al Qaeda. The second is made up of disparate radicalized Islamic groups. We know what the objectives of al Qaeda are, as September 11 so clearly demonstrated. It wishes to drag the Muslim world into a war against the West. The other foreign fighters are recruited by radicalized clerics and have a similar vision of international jihad.

The criminal elements in Iraq are undeniably part of the insurgency. While many thousands were unjustly persecuted in prisons under the Hussein regime, many prisoners were also legitimately criminals. Before the war began, Saddam Hussein saw fit to release a large number of these criminals to prey upon his own people. They form part of those opposing the legitimate government and the coalition forces.

Mr. Speaker, the follow-up question that many opponents of the war fail to ask is, Why do these insurgents hate us?

Mr. Speaker, the answer to that question is clear and straightforward. Our opponents hate us, the coalition, not because of what we do, but because of who we are. We represent individual liberty and democracy, two values that our terrorist opponents neither understand nor accept.

If we take the time to examine each of these four insurgent groups, we will find their opposition to the coalition is built upon a rejection of individual liberty and democratic pluralism. The Baathists, of course, have never supported freedom or true democracy. Thirty years of their regime amply demonstrated they believe in an Iraq ruled by a strongman like Saddam Hussein and plundered by his Fascist followers.

The radical fundamentalists for their part certainly do not believe in either freedom or democracy, unlike their mainstream Muslim brethren. They clearly support a regime ruled by a religiously radical minority. In this regime there will be no place for freedom or democracy.

Al Qaeda, of course, will never stop hating us and despises the principles which we believe are essential to Iraq's future. The other foreign fighters also aim to create a state that will pursue a permanent jihad against the West. This jihad is antithetical to values like freedom and democracy.

Finally, the criminal element of the Iraqi opposition is also opposed to the principles of freedom and democracy precisely because these principles do not empower them.

The great weakness of all these opposition groups, Saddamists, transnational terrorists, theocrats, and

common criminals, is that none of them offer an attractive future for the Iraqi people. None of these groups could compete in open elections or attain power in a genuine democracy. That is why they so fiercely oppose our efforts to create a free Iraq based on individual liberty, tolerance, and democratic elections.

Mr. Speaker, our President is right: the key to victory in the war against terror is the spread of freedom and democracy throughout the Middle East. Our own security is intimately linked to the success of democracy in this troubled part of the world. The success of democracy and self-government in Iraq is the crucial first step to transforming and liberating the Middle East. That is why we must succeed in this critical battle of the forces of oppression and terror in Iraq, and that is why the opponents of the war in Iraq are so badly mistaken in their criticism of our current efforts. Success in Iraq will make America safer.

Mr. Speaker, despite the claims of critics, we have made real and genuine advances in Iraq. No one can deny the significance of 16 new governing councils, 90 new district councils, 194 city or sub-district councils, and 445 neighborhood councils. Together these institutions allow millions of Iraqis to engage in local policy discussions for the first time in history. These are clear advances which will empower Iraqis to control their own destiny. Through building democratic and free institutions, Iraq will be free; and America will be safe.

ORDER OF BUSINESS

Mr. EMANUEL. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

REIMPORTATION OF DRUGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

Mr. EMANUEL. Mr. Speaker, just last week the American Association of Retired Persons released a study showing that drug prices rose in the last year by nearly 4 percent in the first quarter of last year, putting us on target for what has happened in the last 5 years every year in a row where the price of prescription drugs have risen on average 17 percent each year compounded, growing the cost for our senior citizens, their families that help their grandparents and parents to afford their drugs. And now that we have a prescription drug bill, it is going to also cost our taxpayers continuously more and more money to try to pay for that medication.

We have known for the last year prices were going to go up close to

about 17 percent; the year before that, 19 percent; the year before that, 20 percent; and the year before that, 18 percent, drug prices had gone up. We passed a prescription drug bill to try to deal with what seniors have said is the number one issue that affected them and their pocketbooks, which is that they could not afford the medications they need that their doctors were prescribing.

And let just take one step back. This Congress passed a prescription drug bill designed not with seniors in mind, but with HMOs and pharmaceutical companies. Just take their discount card for a second: all this press around a discount card the government was going to offer, 17 different plans. Some drugs covered, other drugs not covered. And some drugs, when they are covered, could get dropped a week later and people are locked into that plan.

Think about it. If one were designing a plan for senior citizens, if one were designing a plan for the customer, would they have designed that plan as is? No. The only reason that plan and the discount card was designed that way was because it was designed to help the pharmaceutical industry and the HMOs that had contributed over \$250 million in the last election cycle and hired over 900 lobbyists to lobby that bill. That bill was not designed with senior citizens in mind. It was not designed to try to save them money. That bill, that legislation and the discount card, was designed for the people who paid for it.

We have a piece of legislation that was passed here in the House that dealt with allowing people to do what people have been doing and senior citizens have been doing for the last 10 years, to buy the prescription drugs they need from Canada and Europe where prices are 30 to 80 percent cheaper than they are here in the United States, allowing, finally, the United States to have a free market where we have competition and prices come down due to competition.

I did a study on my Web site from Costco, a discount retailer in my district and a discount retailer in Toronto, Costco to Costco, Chicago to Toronto; and the prescription drugs and medications at the Costco in Toronto are 40 to 60 percent cheaper than they are in Chicago, the same medications that we can find on the shelves in Costco in Chicago as on the shelves at Costco in Toronto. And why is that? They have lower prices there. And senior citizens, 1 million to 2 million a year, go over the border to buy their medications that their doctors prescribe in Canada, saving themselves thousands upon thousands of dollars.

They can do it in Europe where they also provide medications. The same things, the same types of medications that our doctors prescribe here, they get at 50 percent cheaper.

Why would we force our senior citizens into higher prices and our taxpayers to pay higher prices to support