

EXPRESSING PRIDE IN NORTH
CAROLINA'S JOHN EDWARDS

(Mr. MILLER of North Carolina asked and was given permission to address the House for 1 minute.)

Mr. MILLER of North Carolina. Mr. Speaker, as many other North Carolina Members have in the last few days, I rise to express my hometown pride in the presumptive Vice Presidential nominee of my party, JOHN EDWARDS. JOHN EDWARDS has been very, very successful in his life. We used to call that the American Dream. But that is not where he started out. Where he started out and how he got where he is today is important, and he has learned from it.

I know that my colleagues on the other side of the aisle are very tired of hearing that Senator EDWARDS is the son of a mill worker, but it is true and it is important. He understands what most folks' lives are like because his life has been the same way. His father worked in the mill, as my father did. His mother worked in the post office. His life has been like the lives of ordinary Americans. He had to depend on public schools to get ahead. Wallace and Bobbi Edwards could never in this world have sent JOHN EDWARDS to some expensive New England boarding school. He had to go to the public schools. He understands to the depth of his soul the importance of public education for middle-class Americans and the importance of public education in creating opportunities for ordinary Americans.

TAX RELIEF IS WORKING TO
STIMULATE THE ECONOMY

(Mr. PORTMAN asked and was given permission to address the House for 1 minute.)

Mr. PORTMAN. Mr. Speaker, there has been a lot of discussion on this floor over the past year about the tax relief we passed last year for the American people, for our families, small businesses and investors. In fact, even this morning I heard again how we could not afford this tax relief, how it was wrong, how we should not have done it. I have heard again and again how it has robbed our Federal Treasury.

It should be interesting to note, then, that we have just learned that the tax receipts coming into our government this year are higher than they were before we put these tax cuts in place. Why? Because the tax relief is working to stimulate the economy and increase revenue. More people are working. Salaries are higher. Corporate revenues are higher. This means the economy is strong. Robust job growth has led to more taxpayers and more taxable income. Those are facts. Tax collections this year are \$48 billion higher than last year. In June our receipts were 11 percent higher than our receipts of June a year ago.

Earlier on the floor, one of my colleagues said, Gee, the other side is

talking about how the economy is good. They are using statistics.

Well, yes, we are using statistics because that is what the American people care about is how their jobs are doing, how the job growth is coming. Nationwide more than 1.5 million jobs have been created in the past 10 months. This means that we are creating not just jobs but good jobs. The pessimistic view is simply wrong. Real wages are up 11 percent since December of 2000. Payroll tax revenues are up. We are creating real jobs, good jobs. This will continue because of the tax relief.

VICE PRESIDENT CHENEY

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, last week the Senate Intelligence Committee concluded that even though the CIA repeatedly told the White House that it did not have any strong evidence linking Iraq to al Qaeda, Vice President CHENEY and the rest of the Bush administration went ahead and characterized a close relationship between Iraq and al Qaeda in an attempt to justify going to war in Iraq.

Despite these findings, Vice President CHENEY refuses to back down and continues to say that there was a connection between Iraq and al Qaeda. For almost 4 years now, Vice President CHENEY has abused his power, working with oil and gas executives in secret on an energy policy that only benefits those companies, refusing to tell the American people the specifics of that energy task force, supporting no-bid contracts for his former company, Halliburton, and misrepresenting his continued financial ties to that same company . . .

The SPEAKER pro tempore. The gentleman will suspend. . . .

ANNOUNCEMENT BY THE SPEAKER
PRO TEMPORE

The SPEAKER pro tempore (Mr. MILLER of Florida). The Chair must remind all Members that remarks in debate may not engage in personalities toward the President or the Vice President, or the acknowledged candidates for those offices.

Policies may be addressed in critical terms, but personal references of an offensive or accusatory nature are not proper.

The gentleman may proceed in order, if he wishes. . . . The gentleman's time has expired.

U.S.-AUSTRALIA FREE TRADE
AGREEMENT

(Mr. CRANE asked and was given permission to address the House for 1 minute.)

Mr. CRANE. Mr. Speaker, when my colleagues and I vote on the U.S.-Australia Free Trade Agreement later

today, I hope we do so understanding that trade with Australia currently supports over 235,000 jobs here in the United States, including over 4,400 in my home State of Illinois.

Illinois exports about \$1 billion in goods and services to Australia each year, from agricultural and construction machinery, to engines, turbines and power transmission equipment, to motor vehicle parts, to general purpose machinery and to agricultural products. In short, people through nearly every sector of our economy will benefit from this agreement.

Mr. Speaker, we have a commitment to our citizens to enforce our trade agreements, which is why legislation I have authored which we will also consider today, the Customs Border Protection Act, increases by \$2 million the resources USTR has to monitor and enforce our trade agreements. I think we can all agree that this is very important. However, some will argue that we should shut our borders and build a wall around our country. That would be devastating to our economy, and I hope a strong bipartisan vote on passage of the Australia FTA today will demonstrate that conclusively.

IN DEFENSE OF TRADITIONAL
MARRIAGE

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, today a House committee is going to take up a bill intended to protect traditional marriage from activist Federal judges. Ultimately, I believe, a constitutional amendment is going to be necessary to ensure the American people are in charge of defining marriage. This bill marks an important step in the right direction. We have received hundreds of calls from the people of the Third District of Texas. They are hopping mad at States like Massachusetts whose recognition of same-sex marriages could threaten the time-honored institution of marriage in the Lone Star State.

Let the record show that I am a strong supporter of the traditional family, and that is one headed by a man and a woman. To protect the values of our great Nation, I hope we see floor action on this issue next week.

□ 1030

PROVIDING FOR CONSIDERATION
OF H.R. 4759, UNITED STATES-
AUSTRALIA FREE TRADE
AGREEMENT IMPLEMENTATION
ACT

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 712 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 712

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 4759) to implement the United States-Australia Free Trade Agreement. The bill shall be considered as read for amendment. The bill shall be debatable for two hours equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. Pursuant to section 151(f)(2) of the Trade Act of 1974, the previous question shall be considered as ordered on the bill to final passage without intervening motion.

SEC. 2. During consideration of H.R. 4759 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to a time designated by the Speaker.

The SPEAKER pro tempore (Mr. MILLER of Florida). The gentleman from California (Mr. DREIER) is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MCGOVERN), my very good friend and Committee on Rules colleague, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, this is a very exciting day. We are about to embark on the debate for a very important bipartisan issue. Let me at the outset say that there is so often attention, in fact, almost all of the attention that is focused on this institution, the United States Congress, both Houses of Congress, is on disagreements that take place, and of course those are very important. But very little attention is focused on the fact that we are able to craft major bipartisan agreements on a wide range of issues, and at this moment we are beginning debate on a measure which will enjoy very strong bipartisan support.

It is going to create an opportunity for us to expand one of the most important bilateral relationships that exists, and it is the U.S.-Australia Free Trade Agreement that will build upon the long-standing commercial ties that we have with Australia by eliminating terrorists, removing nontariff barriers, and providing better market opening opportunities for U.S. goods, services, and investment. It is a first-rate, state-of-the-art agreement that will spur growth and create jobs for Americans and Australians alike.

But the vote that we have before us today is bigger than just this one agreement. The Free Trade Agreement we have negotiated with Australia is a significant piece of our overall economic growth and trade liberalization agenda.

I want to begin by congratulating our great U.S. trade representative, Ambassador Bob Zoellick, for his tremendous work in negotiating agreements not only with Australia but with the Central American countries, with Morocco, with Bahrain, as well as his ongoing work in Thailand and the An-

dean countries, in Southern Africa, and in the Middle East.

Mr. Zoellick, with the support of this Congress, has made great strides in our fight to open the global marketplace to the free flow of goods, services, and capital; a marketplace where American producers, workers, consumers, and investors can freely compete; a marketplace where the U.S. is the clear global leader based on the power of our ability to innovate, adapt, and grow.

The Australia Free Trade Agreement is a significant part of moving this agenda forward. This agreement will create significant new opportunities for producers and consumers both here at home and in Australia. Under the Free Trade Agreement, tariffs on 99 percent of all U.S.-manufactured products will immediately drop to zero. Let me say that again. The tariffs on 99 percent of the products that we will be exporting, the manufacturing sector, to Australia will immediately go to zero, achieving the greatest immediate reduction ever attained in any U.S. Free Trade Agreement. This kind of comprehensive reduction would be significant in any agreement, but it is particularly significant and particularly beneficial in trade with Australia in which manufacturing actually makes up 93 percent of all U.S. exported goods.

This is also good news for States like California, which I am very honored to be able to represent here in the Congress. Our State exports almost \$2 billion in goods every year. Australia is a huge market for California's high-valued manufactured goods, with computers, transportation equipment, chemicals, and machinery topping the list of major exports.

Huge gains will also be achieved in terms of market access for services, which is the fastest-growing sector both here at home and in Australia. Thousands of Americans are already employed by Australian service providers here in the United States. This Free Trade Agreement makes enormous progress in opening up service sectors in Australia to U.S. companies and investors. Market access gains were negotiated across virtually all sectors, from telecommunications to financial services to energy.

The Free Trade Agreement also contains unprecedented gains in access for U.S. entertainment products and services, something else that is very important to me as a representative from Southern California.

Protection of intellectual property rights in general represents another important achievement in the Australia Free Trade Agreement. The agreement guarantees strong protection for American innovations and encourages robust trade in cultural, scientific, and high-tech products. Patents, trademarks, content, test data, and trade secrets will be protected as well as governed by a transparent and fair regulatory process. And perhaps most important, Mr. Speaker, the Free

Trade Agreement provides for strict, effective enforcement measures to protect U.S. innovators from pirates and counterfeiters.

The FTA will also expand the markets for U.S. farmers. I know that some agriculture sectors have opposed provisions in this agreement, but the fact is that this FTA will significantly increase market access in Australia for U.S. agricultural products. Our agricultural exports will immediately gain duty-free access.

Furthermore, significant progress has been gained on the large nontariff barrier to agricultural trade, that is, Australia's sanitary and phytosanitary standards. Nontransparent and often nonscientific-based rulings on the safety of U.S. agricultural goods have been a major barrier to the Australian market. But through the FTA negotiations, communication and cooperation between United States and Australia have been significantly improved. Strong commitments were also obtained to ensure that the review process is entirely science-based.

Even before passage and implementation of the Free Trade Agreement, we are seeing the effects of this greater cooperation in Australia's recent decision on pork products. U.S. pork exports have long faced a de facto ban because of Australia's animal health standards process. But through the leverage of the FTA negotiating process, U.S. trade and agricultural officials have succeeded in opening up the Australian market to processed as well as certain types of unprocessed pork. While this will no doubt be an ongoing battle as other products seek full access, there is no question that without the fuller engagement brought about by the Free Trade Agreement, U.S. farmers would still be facing formidable barriers for many of their products.

Similarly, the Free Trade Agreement makes great strides in increasing market access for our highly innovative pharmaceutical and biotech industries. The Australians made strong commitments on transparency and accountability as well as recognized the value of innovation.

In recent weeks there have been misleading assertions made that this Free Trade Agreement would permit Australia to levy sanctions against the United States if we were to enact a drug reimportation bill. I do not happen to be a supporter of the issue of drug reimportation, but I think it is important to make clear the disagreement in no way prevents the United States from enacting drug reimportation legislation. It is existing Australian law, existing Australian law, that prohibits the export of drugs purchased within their national health care system, the PBS, which constitutes over 90 percent of the market. In addition, it prohibits the export of

drugs purchased outside of their system except by the original manufacturer or their licensed Australian distributor. Unlike Canadian law, Australian law prohibits pharmacies from selling drugs outside of Australia.

Again, Australian domestic law prohibits reimportation, not the Free Trade Agreement. Therefore, any future reimportation law implemented in the United States would have no bearing whatsoever on the Australian system and would not be actionable as a trade dispute.

Clearly, the U.S.-Australia Free Trade Agreement is a win-win for producers, consumers, and workers in the United States and Australia. It will create new opportunities, spur investment, create good jobs, and increase access to high-quality consumer goods. It will also strengthen our relationship. This is one of the very important aspects of this, Mr. Speaker. This will strengthen our relationship with one of our most important and significant allies in the global war on terror.

Since the September 11 attacks on the Pentagon and the World Trade Center, we have seen Australia provide over 1,500 troops in addition to military equipment to support the U.S.-led coalition to combat global terrorism. Specifically, Australia has provided significant support for our mission in Iraq, an integral part of the war on terrorism, by contributing everything from fighter jets to reconnaissance forces.

While our partnership has been strong for many decades and we have clearly seen it most evident in this global war on terror and we all remember very vividly the brilliant address that was given to a joint session of Congress by Prime Minister Howard here in this body, we have seen the relationship with Australia grow even more, and they are one of our closest friends.

With this Free Trade Agreement we have an opportunity to strengthen even further our ties with that key ally of ours. It allows us to advance our agenda to improve American competitiveness, enhance our position as the global economic leader, and create thousands of new job opportunities for Americans.

Mr. Speaker, I look across the other side of the aisle, and I see the gentleman from New York (Mr. CROWLEY), who has worked very hard in working to bring about bipartisan support for this effort, and I do believe, again, that this is further evidence of our quest to work in a bipartisan way to bring about trade liberalization.

With that, I urge strong support of both the rule and the agreement itself. Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume.

(Mr. MCGOVERN asked and was given permission to revise and extend his remarks.)

Mr. MCGOVERN. Mr. Speaker, I want to thank the gentleman from Cali-

fornia (Mr. DREIER), the distinguished chairman of the Committee on Rules, for yielding me the customary 30 minutes.

Mr. Speaker, the U.S.-Australia Free Trade Agreement is the third Free Trade Agreement the Bush administration has sent to Congress under the Fast Track Authority granted in 2002, and it is the first trade agreement made between two affluent industrialized nations.

The United States and Australia have many similarities in terms of our economic development. This is particularly true in the manufacturing sector, and this agreement lifts 99 percent of the manufacturing tariffs between our two nations, which should provide many mutual benefits and comparable advantages.

The U.S. currently has an \$8 billion trade surplus with Australia in the area of manufactured goods and also in several key agricultural exports. In these areas this agreement should continue to promote our economic interest, contribute to job creation here at home, and further strengthen our longstanding alliance in economic partnerships. These are all hallmarks of a Free Trade Agreement made among equals.

In the area of internationally recognized labor standards and rights, this trade agreement adopts the standard for each nation to effectively enforce its own laws. I want to be clear that I do not support this model, and I am disappointed that the Bush administration chose not to build on the model established in the U.S.-Jordan agreement and include enforceable labor standards in the core of the agreement.

Australia has very strong labor rights, an effective enforcement regime, and a strong independent judiciary. So I am not concerned that the labor provisions will prove detrimental to Australian or U.S. workers, but I do believe that, once again, we have squandered an opportunity to set a higher benchmark for future trade agreements, one that commits our trading partners to achieving the five core international labor standards and not just the mere enforcement of existing domestic labor laws, which can change at any time and are subject to the political whims of whatever government is in power.

□ 1045

We cannot and should not continue to pursue this one-size-fits-all approach to trade agreements, particularly in the area of labor standards, environmental standards, and the settlement of disputes and especially as we pursue trade agreements with countries in very different stages of economic development from our own.

I must admit, Mr. Speaker, that in general I have heard nothing but good things about the U.S.-Australia Free Trade Agreement. So imagine my surprise when I woke up Monday morning to read on the front page of the New York Times that this trade agreement

may undercut the importing of inexpensive drugs.

Mr. Speaker, I ask unanimous consent to include this article in the RECORD.

The SPEAKER pro tempore (Mr. MILLER of Florida). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The article referred to is as follows:

[From the New York Times, July 12, 2004]

TRADE PACT MAY UNDERCUT INEXPENSIVE DRUG IMPORTS

(By Elizabeth Becker and Robert Pear)

WASHINGTON, July 11.—Congress is poised to approve an international trade agreement that could have the effect of thwarting a goal pursued by many lawmakers of both parties: the import of inexpensive prescription drugs to help millions of Americans without health insurance.

The agreement, negotiated with Australia by the Bush administration, would allow pharmaceutical companies to prevent imports of drugs to the United States and also to challenge decisions by Australia about what drugs should be covered by the country's health plan, the prices paid for them and how they can be used.

It represents the administration's model for strengthening the protection of expensive brand-name drugs in wealthy countries, where the biggest profits can be made.

In negotiating the pact, the United States, for the first time, challenged how a foreign industrialized country operates its national health program to provide inexpensive drugs to its own citizens. Americans without insurance pay some of the world's highest prices for brand-name prescription drugs, in part because the United States does not have such a plan.

Only in the last few weeks have lawmakers realized that the proposed Australia trade agreement—the Bush administration's first free trade agreement with a developed country—could have major implications for health policy and programs in the United States.

The debate over drug imports, an issue with immense political appeal, has been raging for four years, with little reference to the arcane details of trade policy. Most trade agreements are so complex that lawmakers rarely investigate all the provisions, which typically cover such diverse areas as manufacturing, tourism, insurance, agriculture and, increasingly, pharmaceuticals.

Bush administration officials oppose legalizing imports of inexpensive prescription drugs, citing safety concerns. Instead, with strong backing from the pharmaceutical industry, they have said they want to raise the price of drugs overseas to spread the burden of research and development that is borne disproportionately by the United States.

Many Democrats, with the support of AARP, consumer groups and a substantial number of Republicans, are promoting legislation to lower drug costs by importing less expensive medicines from Europe, Canada, Australia, Japan and other countries where prices are regulated through public health programs.

These two competing approaches represent very different ways of helping Americans who typically pay much more for brand-name prescription drugs than people in the rest of the industrialized world.

Leaders in both houses of Congress hope to approve the free trade agreement in the next week or two. Last Thursday, the House Ways and Means Committee endorsed the pact, which promises to increase American manufacturing exports by as much as \$2 billion a year and preserve jobs here.

Health advocates and officials in developing countries have intensely debated the effects of trade deals on the ability of poor nations to provide inexpensive generic drugs to their citizens, especially those with AIDS.

But in Congress, the significance of the agreement for health policy has generally been lost in the trade debate.

The chief sponsor of the Senate bill, Senator Byron L. Dorgan, Democrat of North Dakota, said: "This administration opposes re-importation even to the extent of writing barriers to it into its trade agreements. I don't understand why our trade ambassador is inserting this prohibition into trade agreements before Congress settles the issue."

Senator John McCain, an author of the drug-import bill, sees the agreement with Australia as hampering consumers' access to drugs from other countries. His spokesman said the senator worried that "it only protects powerful special interests."

Gary C. Hufbauer, a senior analyst at the Institute for International Economics, said "the Australia free trade agreement is a skirmish in a larger war" over how to reduce the huge difference in prices paid for drugs in the United States and the rest of the industrialized world.

Kevin Outterson, an associate law professor at West Virginia University, agreed.

"The United States has put a marker down and is now using trade agreements to tell countries how they can reimburse their own citizens for prescription drugs," he said.

The United States does not import any significant amount of low-cost prescription drugs from Australia, in part because federal laws effectively prohibit such imports. But a number of states are considering imports from Australia and Canada, as a way to save money, and American officials have made clear that the Australia agreement sets a precedent they hope to follow in negotiations with other countries.

Trade experts and the pharmaceutical industry offer no assurance that drug prices will fall in the United States if they rise abroad.

Representative Sander M. Levin of Michigan, the senior Democrat on the panel's trade subcommittee, voted for the agreement, which could help industries in his state. But Mr. Levin said the trade pact would give a potent weapon to opponents of the drug-import bill, who could argue that "passing it would violate our international obligations."

Such violations could lead to trade sanctions costing the United States and its exporters millions of dollars.

One provision of the trade agreement with Australia protects the right of patent owners, like drug companies, to "prevent importation" of products on which they own the patents. Mr. Dorgan's bill would eliminate this right.

The trade pact is "almost completely inconsistent with drug-import bills" that have broad support in Congress, Mr. Levin said.

But Representative Bill Thomas, the California Republican who is chairman of the Ways and Means Committee, said, "The only workable procedure is to write trade agreements according to current law."

For years, drug companies have objected to Australia's Pharmaceutical Benefits Scheme, under which government officials decide which drugs to cover and how much to pay for them. Before the government decides whether to cover a drug, experts analyze its clinical benefits, safety and "cost-effectiveness," compared with other treatments.

The trade pact would allow drug companies to challenge decisions on coverage and payment.

Joseph M. Damond, an associate vice president of the Pharmaceutical Research and

Manufacturers of America, said Australia's drug benefit system amounted to an unfair trade practice.

"The solution is to get rid of these artificial price controls in other developed countries and create real marketplace incentives for innovation," Mr. Damond said.

While the trade pack has barely been noticed here, it has touched off an impassioned national debate in Australia, where the Parliament is also close to approving it.

The Australian trade minister, Mark Vaile, promised that "there is nothing in the free trade agreement that would increase drug prices in Australia."

But a recent report from a committee of the Australian Parliament saw a serious possibility that "Australians would pay more for certain medicines," and that drug companies would gain more leverage over government decisions there.

Bush administration officials noted that the Trade Act of 2002 said its negotiators should try to eliminate price controls and other regulations that limit access to foreign markets.

Dr. Mark B. McClellan, the former commissioner of food and drugs now in charge of Medicare and Medicaid, said last year that foreign price controls left American consumers paying most of the cost of pharmaceutical research and development, and that, he said, was unacceptable.

Mr. McGOVERN. At the last minute at the bidding of U.S. pharmaceutical companies, but without consultation with Congress, the USTR attempted to persuade Australia, which provides a universal prescription drug benefit to all Australian residents, to change its national health care system for pricing drugs. These changes would have resulted in Australians having to pay higher prices for their prescription drugs.

In other words, according to the administration, because we have high drug prices here in the United States, the solution to our problem is to make every other country feel our pain and force them to raise their drug prices. The Republican leadership in this House calls this leveling the international playing field for prescription drug prices. I call it bad precedent and bad policy.

Not surprisingly, Australia rejected this proposal; but in a move to appease U.S. negotiators, Australia did agree to language calling for greater transparency in how it prices drugs and for recognizing the need for competitive pharmaceutical markets.

Drug industry officials have hailed this language as a big victory and the first step in raising the issue of prescription drug pricing to a higher level in trade negotiations.

Even more controversial is the prescription drug provision in chapter 17 of this agreement, the chapter dealing with intellectual property. This provision protects the exclusive right of drug patent owners, usually the large drug companies, to prevent the importation of their patented drugs. In short, Mr. Speaker, the drug companies get to set national policy on the re-importation of drugs.

The USTR argues that this is consistent with current U.S. law, which

bans prescription drug reimportation. However, as every Member of this House well knows, current law is the subject of vigorous debate. In fact, both Houses of Congress have recently passed bills that would change current law. While this debate has focused on reimporting drugs from Canada, it does not mean that the debate might not broaden to include other modern industrialized nations such as the European Union, Australia, and Japan.

So if Congress changes U.S. law and allows the import of patented drugs, then that revised law will be inconsistent with U.S. obligations under this agreement.

Mr. Speaker, when the Congress is in serious discussions and has taken votes to change a current law, it is highly inappropriate, in my view, for the USTR to negotiate a specific provision in a free trade agreement that could create a potential conflict or a violation of that law in the near future. The fact that this provision is in the trade agreement is even more baffling when there is absolutely no mandate by Congress in trade negotiating authority to include such provisions in the FTA.

Mr. Speaker, these proposals on prescription drugs were brought to the negotiating table by the USTR at the last minute without congressional consultation. When Congress renewed fast track trade authority for the Bush administration in 2002, it established what it called the Congressional Oversight Group to foster communications between the USTR and the congressional leaders whose committees have jurisdiction over trade matters. In fact, our Committee on Rules chairman, the gentleman from California (Mr. DREIER), and our ranking member, the gentleman from Texas (Mr. FROST), are members of that oversight group. The goal of the oversight group was to make it easier for the administration to keep Congress informed about what was going on at the negotiating table.

The administration does not appear to have checked in with Congress before it offered its last-minute idea to dismantle the Australian health care system. If the administration had asked us about this idea, we would have told them what the Australian Government told them during the actual negotiations, no way. The Trade Act of 2002 requires the administration to consult with Congress as it negotiates trade agreements, not with the pharmaceutical industry.

With all due respect, the Bush administration could avoid future embarrassments of this kind by consulting more with the congressional oversight group and paying less attention to the bad ideas of the drug industry lobbyists.

Mr. Speaker, let me conclude my remarks with one final and very personal observation on a related matter. I have the greatest respect for the government and the people of Australia. I have every reason to believe this free trade agreement will be approved, further cementing the economic and political ties between our two nations. I am,

however, deeply concerned by its ruthless treatment and disregard of East Timor's rights to oil and natural gas deposits in the Timor Sea. We all remember how Australia led the international force to protect East Timor in 1999 from the bloody and devastating attacks by Indonesia-supported militias when the Timorese people first voted for their independence.

However, ever since 1999, Australia has taken in an average \$1 million every day from petroleum extraction that may rightfully belong to East Timor.

At the root of this problem is Australia's refusal to negotiate and resolve maritime boundaries with East Timor. The U.S. and Australia scarcely took 1 year to negotiate a free trade agreement. Australia has been dragging its heels since 1999 to resolve this dispute with East Timor. Australia even unilaterally withdrew from the dispute mechanisms established under international law to avoid having to act in good faith on this issue.

Meanwhile, Australia keeps pumping out the oil from undersea deposits and even selling the rights to exploit even more of these deposits to foreign companies.

Australia is the wealthiest nation in its region and one of the wealthiest nations in the world. East Timor, the world's newest democracy, is also the world's poorest nation. Currently, 41 percent of East Timorese live on less than 55 cents a day. East Timor's elected President, Xanana Gusmao, has said the boundary dispute is a question of life or death. The people of East Timor do not want to be poor. They do not want to be begging for charity from wealthy countries. They do not want to end up as a failed state. They want to be self-sufficient.

Australia needs to do the right thing by East Timor: rejoin the international dispute resolution mechanism for maritime boundaries, refrain from offering disputed areas for new petroleum contracts, and expeditiously negotiate in good faith a permanent maritime boundary in the Timor Sea.

The U.S.-Australia Free Trade Agreement was negotiated between two sovereign nations for their mutual benefit and respecting each other's rights and interests. It exemplifies good relationships between nations. Australia needs to show the same respect for the rights and interest of its newest democratic neighbor, East Timor.

Finally, Mr. Speaker, let me point out for the record that although the House has generally adopted special rules to debate trade agreements submitted to Congress under fast track trade procedures, they are technically not necessary. Under the Trade Act of 1974, which Congress renewed two years ago, our standing House rules limit debate on trade agreements to a total of 20 hours and impose a number of limitations on our usual rules of debate. Under these special fast track rules, Members cannot offer motions to recommit the bill or reconsider a vote.

Now, keep in mind that these restrictions on Members' rights to debate come at the end of a process that severely restricts our right to participate in trade negotiations and prevents us from amending the terms of the trade agreement once the administration sends implementing legislation to Congress.

While both Democrats and Republicans appear to agree that 2 hours is enough time to debate this Australia legislation today, we should all recognize that 2 hours may not be enough time to debate other legislation the House may bring up in the future under fast track procedures.

For example, when the House debated the NAFTA agreement in 1993, the Committee on Rules granted a rule allowing for 8 hours of debate. Who knows, it is quite possible that we will have a trade debate that lasts the full 20 hours allowed under the rules of the House. This body and the American people would probably benefit from such an exhaustive debate over a country's trade policies. I hope that providing 2 hours for debate does not become the standard for these critical issues.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to state once again that I am very gratified to see the strong and overwhelming bipartisan support for this important agreement, demonstrating that Democrats and Republicans alike can come together and address such a critical issue.

I would like to just take one moment before yielding to my friend, the gentleman from Georgia (Mr. LINDER), to say what I did in my opening statement, and that is the issue of reimportation is one that exists not in this free trade agreement at all, but instead under the PBS, which is the Prescription Benefit System, the structure that exists in Australia today.

Now, I will say that there was a consultative process that was ongoing in a bipartisan way with this administration, the U.S. Trade Representative, and members of the subcommittees of Congress. In fact, we are in the process right now of getting the dates of those meetings and the consultation process as it took place, and I am going to be entering those into the RECORD, because I think it is important to note that there has been a very, very important discussion which has taken place between this administration and Democrats and Republicans in both Houses of Congress on this issue.

Mr. Speaker, I yield 4 minutes to the gentleman from Georgia (Mr. LINDER), one of the most thoughtful advocates of trade liberalization, the chairman of the Committee on Rules Subcommittee on Technology, in the House.

Mr. LINDER. Mr. Speaker, I thank my friend and colleague, the gentleman from California (Chairman DREIER), for yielding me this time.

I rise in strong support of H. Res. 712, the rule that provides for the consideration of H.R. 4759, the U.S.-Australia Free Trade Agreement Implementation Act. I urge all my colleagues in the House to join me in supporting this rule, as well as the underlying legislation.

The full House will be debating H.R. 4759 under a closed rule which is called for under the expedited procedures by which Congress considers legislation implementing free trade agreements. To the credit of all parties concerned, this bill has broad bipartisan support within the Committee on Ways and Means and across the aisle within the full House.

With regard to the U.S.-Australia Free Trade Agreement Implementation Act, it has been an honor for me to work with the gentleman from California (Chairman DREIER) and the House leadership in generating the needed support for this important trade agreement, and I am pleased that it is being considered on the House floor today.

Over the past century and through various wars, one of America's most important and dependent allies has been Australia. After September 11, 2001, Australia again showed its support and solidarity with the United States by being one of the first nations to commit troops to Afghanistan. Australia has continued its support for the war against terrorism by committing troops to Iraq as well.

With approximately \$28 billion annually in two-way trade of goods and services, Australia is also a major trading partner of the United States. Of this \$28 billion, the U.S. enjoys a significant surplus, \$8 to \$9 billion. Australia is America's ninth largest goods export market.

In addition to trade benefits on a national scale, Georgia, the State that I am proud to represent, has benefited from trade with Australia. In fact, in 2003 Georgia had the 13th largest number of exports to Australia in the United States, with total exports valued at almost \$288 million. These exports have provided, and continue to provide, high-paying jobs, jobs to the citizens of my State.

With the enactment of the U.S.-Australia Free Trade Agreement, U.S. farmers, investors, workers, and companies will further benefit from our current relationship.

Under the FTA, U.S. workers and companies will receive the most significant immediate reduction of industrial tariffs ever achieved in a free trade agreement, as more than 99 percent of U.S.-manufactured products will immediately become duty free upon entry into Australia.

Some of the particular manufacturing sectors and Georgia goods that will benefit include transportation equipment, paper products, computer and electronic products and machinery manufacturers. All U.S. agricultural exports to Australia, totaling more

than \$400 million, will also receive immediate duty-free access. The FTA also removes foreign investment screening for a range of U.S. foreign investment activities, including the establishment of all new businesses in Australia.

Mr. Speaker, in conclusion, Australia is a strategic ally and an important trading partner. Now is the time to strengthen the ties that bind our two countries. America must continue to strive toward expanded free trade and not retreat into the mistaken protectionism of the past. We must work to open markets, eliminate tariffs and barriers and ensure that our Nation remains at the forefront of global economic success. The freedom to trade is a basic human liberty, and its exercise across political borders unites people in peaceful cooperation and mutual prosperity.

I urge my colleagues to support the rule so that we may proceed to debate and adopt the underlying measure.

Mr. MCGOVERN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of the U.S.-Australia Free Trade Agreement, but with strong reservations about its pharmaceutical provisions. On balance, the agreement will benefit consumers and businesses in both countries by lowering barriers to trade in goods and services. However, the administration has included provisions sought by the drug industry that could raise barriers to free trade in pharmaceuticals.

My concerns are as follows: first, one provision gives drug companies the right to block reimportation of their products into the United States. Since Australian law already prohibits this practice, the provision is not necessary. So why is it here? To set a precedent. If applied to trade relations with Canada, this provision would allow legal challenges under trade law to the reimportation bill that many of us favor as a source of affordable medicines for our constituents.

□ 1100

The intent of the Bush administration is clear. USTR has testified that the pharmaceutical provisions in the Australia FTA "lay the groundwork for future FTAs" and will be applied to "upcoming FTA negotiations with Canada and other major trading partners."

Second, the FTA opens up Medicare for potential changes. While USTR says no changes to existing Medicare law are needed under this agreement, we should all be concerned about the precedent of subjecting our domestic health laws to modification through trade negotiations where Congress has less say and the pharmaceutical industry has more influence.

Lastly, it is not appropriate to use trade policy to interfere in other nations' health systems. The administration is working to use trade pacts to

raise drug prices overseas under the illusion, the grand illusion, that that will reduce prices here at home. The U.S. will win no friends if our trade policy becomes a heavy-handed tool to raise drug prices on the citizens of our trading partners.

I support the Australia FTA. This agreement by itself will have little or no impact on U.S. health care laws, but I want to make clear that similar provisions must be kept out of future trade agreements.

Mr. DREIER. Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I thank the gentleman for yielding me time.

I rise in support of this rule and in support of the agreement. This will, in fact, enhance an important relationship with Australia, a country where we already do enjoy, the record is clear, a trade surplus. It is important nationally. It is important to the State that I represent, not just for the technology industry, our number one source of export from our economy. It is going to make a difference of \$4,000 per truck that is manufactured in my hometown by union machinists, painters, and Teamsters and exported to Australia.

I note that Australia has strong labor protections. One would only wish that the United States labor provisions were enforced and would provide the same level of protection to American workers to be able to organize as they see fit.

I appreciate the comment of my friend, the chairman of the Committee on Rules, referencing the importance to build a bipartisan consensus on trade in the global economy. This is a very important discussion, one that we have already enjoyed here today. I think it is making us move down a path where future and more contentious issues can be dealt with in a thoughtful fashion.

I appreciate the warning that was issued by my good friend, the gentleman from Maine (Mr. ALLEN), about the needless addition in this trade agreement of an unfortunate precedent dealing with our health policy. It is not going to affect drug reimportation now because of restrictions in Australian law, but it is not a good precedent in terms of what the majority of the House is seeking to do with prescription drugs in this country.

But I must also mention another precedent that I find equally troubling, which deals with the treatment of sugar.

It is still the policy of the United States government to penalize United States consumers, forcing them to pay far more than the world price. It discriminates against sugar-based industries in the United States, driving confectionery factories from Illinois across the border to Canada. It is trou-

bling that we see agreements take the sugar issue off the table in a concession to that powerful interest.

This is bad for our ultimate posture on trade, because it shows us to be hypocritical. It is bad for United States consumers. It is bad for the environment. It is bad for poor people around the world who could work their way out of poverty.

I will support the rule and the agreement, but I certainly hope that this is the last provision we have that enshrines protectionist treatment for the sugar interests in this country.

Mr. DREIER. Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, how much time is remaining?

The SPEAKER pro tempore (Mr. MILLER of Florida). The gentleman from Massachusetts (Mr. MCGOVERN) has 13½ minutes remaining.

Mr. MCGOVERN. Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MCGOVERN) for yielding me time.

I rise in strong support of this rule as well as in strong support of the United States-Australia Free Trade Agreement.

This agreement, as was mentioned before, has strong bipartisan support, and I have been pleased to work across the aisle with not only the gentleman from California (Mr. DREIER), but the Whip, the gentleman from Missouri (Mr. BLUNT), as well as the gentleman from Virginia (Mr. CANTOR), the gentleman from Ohio (Ms. PRYCE); on our side of the aisle and in particular the gentleman from California (Mr. DOOLEY), the gentleman from Oregon (Mr. BLUMENAUER), the gentleman from Michigan (Mr. LEVIN) and others.

We have seen the strong bipartisan support because we both believe that this is the right thing for the United States, and it comes at the right time. Australia has been a strong friend and ally of the United States, and they have fought by our side in all the past century's major wars, as well as in Afghanistan, and they now stand with our troops in supporting our efforts in Iraq. Being our ally is not the only reason to support this deal but also because Australia has a strong economy, with labor and environmental standards comparable to our Nation and, quite frankly, comparable, if not stronger, in some cases.

Australia's minimum wage for their workers exceeds our own, and they provide universal health coverage and pension plans for their workers. Australia is our fifth-largest trading partner, worth \$38 billion, which makes this FTA the most significant bilateral deal since the U.S.-Canada agreement.

American manufacturers will see immediate benefits because this FTA will eliminate 99 percent of Australian tariffs on U.S.-manufactured exports on day one of this agreement; and 93 percent of the United States trade with

Australia is from manufacturing, which is estimated to boost U.S. manufacturing exports by \$1.8 billion, protecting and creating a conservative estimate of some 270,000 jobs here in the U.S.

When we talk about agriculture, I am pleased to see that over \$400 million of our agriculture exports will see immediate duty free access.

Mr. Speaker, this Free Trade Agreement with Australia makes sense. This Free Trade Agreement with Australia makes sense for all the reasons I have just stated. I urge my colleagues to support the passage of this bill, and I also ask them to support this rule.

There is no Free Trade Agreement that is absolutely perfect, but if any Free Trade Agreement comes close to a no brainer, this is the one. I urge my colleagues to support it.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to compliment my friend, the gentleman from New York (Mr. CROWLEY) for his very thoughtful statement.

I, too, want to join in extending congratulations not only to those on our side of the aisle who have worked in a strong bipartisan way on this issue, including the gentleman from Missouri (Mr. BLUNT), the Chief Deputy Whip, the gentleman from Virginia (Mr. CANTOR), an organization that the gentleman from California (Mr. THOMAS) and I have had in place working on trade issues for a long period of time, reaching out to my friends, the gentleman from Michigan (Mr. LEVIN), and the gentleman from Oregon (Mr. BLUMENAUER), who has worked with us on trade issues for a long period of time. I would like to say how important this bipartisan effort has been.

Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I rise in opposition to the rule and in opposition to the bill.

The drug industry has had a pretty darn good year in this Congress. The drug industry and the Bush administration, which is kind of hard to tell them apart when you look at what the drug industry and the Bush administration fight for in this Congress, have had it their way on every single issue in front of this Congress. The drug industry comes to the Congress, goes to the administration. The administration comes to the Congress asking for whatever the drug industry asks the administration to do.

The Medicare bill, we all know by now, was, line and verse, written by the drug industry. That is why seniors are so generally unhappy with that prescription drug bill. That legislation, if you recall, had provisions to prohibit our government from negotiating lower prices for prescription drugs. That is what the drug industry wanted.

The Food and Drug Administration, once one of the best agencies of our

Federal Government, has become almost an arm of the drug industry. It debates for the drug industry. It tries to educate the public on behalf of the drug industry. We see it over and over again.

Now the drug industry has its fingers in the U.S. Trade Rep's Office. You can look at what my Republican friend, the gentleman from Minnesota (Mr. GUTKNECHT), and Democratic friend, the gentleman from Illinois (Mr. EMANUEL), sent a letter out to Members of Congress saying 15 of the 25 panel members on the industry sector advisory committee for this trade agreement, appointed by the United States Trade Rep, are from the drug industry. Fifteen of the 25 panel members are from the drug industry. Not one senior group or reimportation advocate was included in the panel. The drug industry has its tentacles in the Medicare bill, in the FTA, and in the U.S. Trade Rep's office.

Now, the question is why.

First of all, I think the obvious answer is the tens of millions of dollars that the drug industry gives to my friends on the Republican side of the aisle, especially the Republican leadership and to President Bush's reelection, the millions of dollars in campaign money. So we have really should not be surprised.

But I ask my friends on the Democratic side of the aisle, do we trust President Bush and the Republican leadership to do the right thing ever on an issue that affects the drug industry?

What this legislation has, the Australian Free Trade Agreement has, is provisions written by the drug industry, for the drug industry, which ultimately could potentially handcuff the U.S. to get our drug prices down. That is what the drug industry wants. That is what President Bush wants. I do not think my friends on the Democratic side of the aisle would want that.

Mr. Speaker, it is pretty clear. I know this Australia Free Trade Agreement is going to pass this Congress, but what is important is that we send a strong message that we do not like the drug industry influence in this Australia Free Trade Agreement bill. I am asking my friends who support reimportation, who support lower prescription drug prices, and there are many of them on both sides of the aisle, certainly not the Republican leadership, but many rank and file Republicans, almost all of the Democrats who support lower prescription drugs prices, it is important to vote no on this, to send that message that we will not allow the drug industry to infiltrate every part of our lawmaking process.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

It is great to see such extraordinary bipartisan support for this very important agreement.

Let me take just a few minutes to respond to the comments of my good friend from Ohio. As I said in my open-

ing remarks, Mr. Speaker, the Australia Free Trade Agreement does not prevent Congress from passing legislation on drug reimportation. Under the U.S. Constitution, we all know that no trade agreement could do this.

We also need to know that there has been ongoing consultation between this administration, the U.S. Trade Representative and a bipartisan group here in the United States House of Representatives, as well as in the United States Senate.

We know that any law that is passed by the Congress will always trump any kind of Free Trade Agreement. There is nothing in the Australia Free Trade Agreement or in the implementing legislation, H.R. 4759, that changes U.S. patent law or the Federal Food, Drug and Cosmetic Act, FDCA.

We also think it is very important for our colleagues to understand that the patent provision in the Free Trade Agreement restates U.S. law and applies to all patents. It restates U.S. law and applies to all patents, Mr. Speaker, not just pharmaceuticals. Not including this provision would be devastating to U.S. intellectual property rights holders in every single sector of our economy.

It is one of the things I was talking about in my opening remarks. The issue of piracy, counterfeiting, intellectual property violations, those are violating property rights, and we clearly feel strong about the need to maintain those private property rights.

Australian law already bans the exportation of drugs dispensed under its pharmaceutical benefit scheme, the PBS. Unlike Canada, the law in Australia explicitly prohibits other parties, such as wholesalers or pharmacists, from exporting non-PBS dispensed drugs.

Therefore, I think that, as I listen to my friend from Ohio talking, he could not be more inaccurate in his assessment of how this came out or in his assessment of his relationship between those of who do truly want to do everything that we possibly can to lower the cost to consumers of pharmaceutical drugs, of basically any kind of consumer product.

We are here to do what we can to improve the standard of living and quality of life for our consumers.

□ 1115

We happen to believe in bringing about an agreement like this, and so I think it is important to note that any change in U.S. law would have no practical effect on reimportation from Australia due to Australian domestic law that exists, regardless of the free trade agreement; and, therefore, Australia would have no plausible basis to claim harm or to pursue any kind of sanctions.

I think it is very important, Mr. Speaker, for our colleagues to understand the fact that this is an agreement which is focused on ensuring the very important intellectual property

rights, but at the same time, working to ensure that consumers have access to the best quality product at the lowest possible price, whether it is a pharmaceutical drug or whether it is a product coming from my great entertainment industry in Hollywood.

Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, I want to put in perspective why I support the rule and why I will vote for this agreement. It is a somewhat different perspective than the gentleman from California's (Mr. DREIER).

There are some very strong provisions in this legislation, and we will talk about it more during the 2 hours, on manufactured goods, on agriculture, on services. These are solid provisions that work to the advantage of American workers and businesses.

As to prescription medicines, USTR did try to get Australia, through these negotiations, to consider changes within their structure. We sent a letter, a number of us, to USTR saying we did not consider that to be a legitimate effort, and they dropped it.

What is left here are two provisions, one regarding transparency, which will not affect U.S. law, and the other relates to reimportation. The fact is, in this agreement there is incorporated the general law protecting U.S. patent holders. It is put in this agreement; and I suppose theoretically, it could lead to someone saying that if we pass the reimportation law it would violate that agreement.

It does not become operational. As mentioned here, the laws of Australia prohibit exports to the United States. So, in essence, we have a provision here that can have no operational effect on the effort here, and I totally support it, to allow reimportation of medicines.

So what do we do as a result? We have the same dilemma when it comes to a nation enforcing its own laws when it comes to labor standards. I very much object to the use of that standard in general. In Australia, it does not matter because their labor laws are essentially the same as ours. So we have two provisions here, and how do we send a message?

My own judgment is, where the agreement is otherwise strong in terms of expanded trade for the benefit of our workers and businesses, for the American public, the consumers, to say, okay, but two things, do not dare put this provision relating to patents in any agreement which would affect reimportation of drugs, do not dare do it, and if they did, it would bring down the bill. As to the core labor standards, do not dare try it in an agreement where the conditions are the opposite of or very different from Australia.

Well, CAFTA is exactly what they did with labor standards, and that is

why we very much oppose CAFTA. The gentleman from California (Mr. DREIER) talks about bipartisanship. There has been zero real bipartisanship when it comes to the negotiation of CAFTA, and that is why it is going to fail. That is why it will not be brought up on this floor because it would lose. Bipartisanship has to be more than consulting with us when they think we will agree but not when there is a legitimate disagreement between the parties in an effort to work it out.

So my suggestion is to vote for this FTA; but in our debate make it very clear, when it comes to prescription medicines, do not put this kind of a provision in a bill with a country that does not prohibit exportation, and number two, when it comes to using the standard for labor and the environment, do not put it in agreements with different nations or we will fight it to the end, and that is what we are doing.

I favor a CAFTA, not this one. So I say to the gentleman from California (Mr. DREIER), the effort to consult, the effort for a bipartisan approach to trade, that has failed under this administration mainly. We do not have the same bipartisan base that we once had. With Australia, all right; but in other cases, no.

So I think we need to send a signal to this administration as to our disagreements in terms of our opposition to CAFTA, their failure to actively enforce the laws that we have, their approach to China; but I do not think these differences should force us to vote against an expansion of trade that is basically positive; and for that reason, I urge support for the rule, support for this bill, but with those strong, strong caveats and messages that I have just enunciated.

Mr. DREIER. Mr. Speaker, let me once again thank my friend from Michigan for his strong and committed bipartisan support to this effort.

I do not have any further speakers. I plan to just make some closing remarks myself. If the gentleman has no further speakers and would like to yield back the balance of his time or make remarks, I look forward to them.

Mr. MCGOVERN. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. MILLER of Florida). The gentleman from Massachusetts (Mr. MCGOVERN) has 3 minutes remaining.

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume.

As the gentleman from New York (Mr. CROWLEY) indicated earlier, a number of Democrats support the Australia trade agreement and feel it is fine as far as it goes, and the gentleman from Michigan (Mr. LEVIN) made the same comments as well.

However, I think it is important to note that this agreement covers less than 1 percent of U.S. trade, and it cannot make up for the Bush administration record of failing to vigorously enforce trade laws and trade agreements. It cannot make up for a failure to in-

vest in research and development and in training American workers in cutting-edge skills and technologies to improve America's ability to compete in the global economy.

Our trading partners consistently violate the terms of their trade agreements with us; and the administration has failed to stop China, Japan, and other nations from manipulating their currencies. The administration has failed to break down barriers for American workers and American companies in key export markets such as Japan and Korea.

The Bush administration has failed to invest in the innovative technologies of the 21st century. The Bush budget has tried to eliminate the Advanced Technology Program and slashed the Manufacturing Extension Partnership and proposed cutting job-training programs by more than \$1.5 billion over the past 3 years.

Republican policies have led to the loss of 1.8 million private sector jobs, and the average length of unemployment is at its highest level in 20 years, and the overall job picture is the worst in almost 40 years.

So as we take up consideration of the U.S.-Australia Free Trade Agreement, we also need to change direction and pursue policies in tax policy and job training and supporting our small and medium-sized manufacturers and R&D that will create jobs right here at home right now.

Mr. Speaker, I also want to say for the record once again that I regret very much the prescription drug provisions that are in this agreement. It is bad precedent. To my knowledge, this is the first time a prescription drug provision has been included in a trade agreement, and hopefully it will be the last time. I know that the big drug companies want to view this as what will be the norm in future trade agreements, but I will point out to my colleagues that there are millions and millions of Americans who deserve and who expect more from this administration or whatever administration is in power and from this Congress.

To the extent that there is bipartisanship on this agreement, let the record reflect that that bipartisanship will not be there. If in the future there are these prescription drug provisions included in future trade agreements, that is unacceptable.

Mr. Speaker, I yield back the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, with all due respect to my very good friend from Massachusetts, I have no idea whatsoever he is talking about when he talks about the economy that we are in today. Since January 1 of this year, 1.26 million new jobs have been created right here in the United States. We have seen the largest surge in 45 months of manufacturing jobs. We are seeing unanticipated revenues coming into the Federal Treasury because of the tax package

that this Congress, in a bipartisan way, passed and this President signed.

We are, I believe, poised to move towards a balanced budget earlier than had been anticipated, and we have undergone some of the most serious challenges that our Nation has ever felt during the past few years.

We all know that when President Bush came into office he inherited an economy that was already slowing. Within just a couple of months, we went into recession. That was two quarters of negative economic growth.

Mr. Speaker, since that period of time, we saw 7½ months after President Bush took office the worse attack in our Nation's history on American soil when 3,000 Americans were killed on September 11 of 2001.

We saw the tremendous problem of corporate abuse, corporate scandals; and we know the challenges that that created for our economy. We saw the global war on terror proceed; and we, of course, are still struggling as we work to liberate the people of Iraq and move towards political pluralism and the rule of law and free and fair elections.

With all of those challenges, we have seen tremendous economic growth. A very important aspect of that has been trade liberalization, a policy that has enjoyed bipartisan support. Usually it is Republican-led, I will acknowledge, and there are not many Democrats who do join; but in the past, there have been Democrats who have joined in, trying to bring about the very important market-opening opportunities that we see worldwide.

This agreement is going to enjoy tremendous bipartisan support; and, again, I will say that it has been great to work with our colleagues on the other side of the aisle. My colleague, the gentleman from California (Mr. DOOLEY), is going to be retiring; but he is a Democrat who has been very thoughtful and consistently pushing trade liberalization. He helped us with the passage of Trade Promotion Authority, and he has just done a terrific job, and I will miss him when he retires from this body at the end of this year.

The gentleman from New York (Mr. CROWLEY), who stood up and spoke very eloquently on the need to pass the U.S.-Australia Free Trade Agreement, has been a leader within the whip organization on the other side of the aisle, and I mentioned my colleague, the distinguished whip, the gentleman from Missouri (Mr. BLUNT); the gentleman from Virginia (Mr. CANTOR), the chief deputy whip; and a wide range of members; the gentleman from California (Mr. THOMAS) providing the leadership that he has on the Committee on Ways and Means.

We have gotten to this point, Mr. Speaker, and this point is one which will allow us, Democrats and Republicans alike, to come together and underscore how trade liberalization is helping our economy. It is helping to create jobs.

Now, we have heard this argument raised about prescription drugs, and I

will say what I have said throughout the debate. It is current law. It is current law in Australia, not part of the free trade agreement, that, in fact, ensures that reimportation will not take place. Nothing in this agreement whatsoever, nothing in this agreement will in any way impact the debate which has been ongoing in this body on the issue of drug reimportation; and if any change is made, the free trade agreement cannot in any way override that.

This issue of the administration and the consultation process, as the pharmaceutical drug question was addressed, taking place, there was broad consultation that took place, in a bipartisan way, Democrats and Republicans in both Houses of Congress, with this administration, with our U.S. Trade Representative, Ambassador Zoellick.

□ 1130

So, Mr. Speaker, I think it is very important to recognize that, on the specifics of this, it has been very, very well handled and, I think, is in many ways a model.

I will say to my friend from Massachusetts that in the U.S.-Singapore Free Trade Agreement that we put together, very similar language as we have in the Australia agreement on the pharmaceutical question. We feel strongly about the issue of intellectual property, we feel strongly about property rights, we do not like piracy, we do not like counterfeiting, and this agreement is designed to strengthen our ability to deal with that question.

Mr. Speaker, September 11 of 2001 was one of the most difficult days in our Nation's history. We were poised to hear an address before a joint session of Congress by Prime Minister John Howard, the great Prime Minister of Australia. Obviously, we were unable to do that, but Prime Minister Howard was, as I recall very vividly, here when President Bush came and addressed a joint session of Congress.

I am very proud, and I think I am the only Member who has a place in the U.S. Capitol where I have a quote from an Australian. I have a very important quote, which I would commend to my colleagues, and I will enter that into the record and not read through it right now, but I actually saw it when I visited the Australian parliament at Canberra several years ago, actually in December of 1998. I was struck by this quote by R.G. Menzies, who was one of the great, strong anti-Communist prime ministers of Australia. He talks about the importance of public service and the sacrifice that public service entails, and I have that quote hanging in the Committee on Rules upstairs, just above this Chamber.

Mr. Speaker, I think it is important for us to realize that Australia has been an important ally of ours in every single way. They have been unrelenting in their commitment to the global war on terror. They have been victimized themselves. Our September 11 was at

one point an October 11, or October 6, it was an October date, that saw many Australians tragically become the victims of the challenge of international terrorism with the bombings that took place at Bali, killing many Australians. So they have suffered as well. They understand what it is like. So they have stood with us in Iraq, in Afghanistan, and in international fora in trying to deal with these challenges.

Our relationship is already, as I said, an extraordinarily strong relationship. But with the passage of this measure today, Mr. Speaker, we are going to strengthen even more that very important tie that exists between the United States of America and the wonderful people of Australia. So I urge strong support of this rule and strong support of the measure as we address it.

Mr. Speaker, I submit for the RECORD the quote by R.G. Menzies which I earlier referred to:

I believe that politics is the most important and responsible civil activity to which a man may devote his character, his talents, and his energy. We must, in our interests, elevate politics into statesmanship and statecraft. We must aim at a condition of affairs in which we shall no longer reserve the dignified name of statesman for a Churchill or Roosevelt, but extend it to lesser men who give honourable and patriotic service in public affairs. In its true that most men of ability prefer the objective work of science, the law, literature, scholarship, or the immediately stimulating and profitable work of manufacturing, commerce, or finance.

The result is that our legislative assemblies are a fair popular cross-section, not a corp d'elite. The first-class mind is comparatively rare. We discourage young men of parts by confronting them with poor material rewards, precariousness of tenure, an open public cynicism about their motives, and cheap sneers about their real or supposed search for publicity. The reason for this wrong-headedness, so damaging to ourselves, is that we have treated democracy as an end and not as a means. It is almost as if we had said, when legislatures freely elected by the votes of all citizens came into being, "Well, thank heaven we have achieved democracy. Let us now devote our attention to something new." Yet the true task of the democrat only begins when he is put in possession of the instruments by which the popular will may be translated into authoritative action. In brief, we cannot sensibly devote only one per cent of our time to something which affects ninety-nine per cent of our living.—R. G. Menzies, *New York Times Magazine*, November 28, 1948.

Mr. McDERMOTT. Mr. Speaker, today, the House of Representatives considers the United States-Australia Free Trade Agreement (USAFTA). I support this trade initiative, because it's good for America and good for the people of Washington State in a number of important ways.

First, Australia is an important ally of the U.S. in an increasingly unstable world. Many Australian troops fought side-by-side American soldiers in the Vietnam War, in Afghanistan, and are providing resources to Americans in a part of the world where we increasingly need them.

Second, Australia has a long history of importing many American products—from agricultural goods grown in Washington, like apples and wheat, to products manufactured in

Washington, like electronics and airplanes. We enjoy a sizable trade surplus with Australia and since this agreement commits Australia to immediately remove tariffs on nearly every U.S. export to Australia, it will instantly provide further market access for products that come from the United States. In addition, Australia invests significantly in the United States, directly employing thousands and thousands of American jobs.

Third, Australia exports many products that Americans enjoy—like fine wines and many agricultural products. Since this agreement requires the U.S. to remove many of our tariffs on Australian goods, they immediately become more affordable to American consumers.

Although I support this agreement, I remain deeply concerned about the direction that the Bush Administration is taking this country, particularly with regard to our economy and our trade policy, which profoundly affects the ability of our country to maintain and create good paying jobs.

America's best export has always been the democratic values that we hold dear. While capitalism and open markets may boost trade flows, democratic values must also be a centerpiece of U.S. trade policy. Regrettably, this agreement continues to embody a short-sighted approach toward international trade that the Bush Administration has employed for the last 4 years. The USAFTA fails to lock in international labor and environment standards. It only requires the United States and Australia to continue to enforce their own labor and environment laws. This approach, if employed in future trade agreements with less developed countries, would do little to raise living standards in countries whose labor and environmental laws do not meet international standards. Furthermore, this approach would force American workers to compete on an uneven playing field. I do not think that is a direction that our country should go.

Today, however, the Congress considered liberalizing trade with Australia, a country that has well-developed labor and environmental laws, and a good track record for enforcing these laws, so I will not let Perfect be the enemy of Good. Our international assistance and trade programs should aim to raise living conditions here and abroad. Ultimately, I believe that the USAFTA advances these interests.

Mr. DREIER. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCGOVERN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair

will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

SUTA DUMPING PREVENTION ACT OF 2003

Mr. HERGER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3463) to amend titles III and IV of the Social Security Act to improve the administration of unemployment taxes and benefits, as amended.

The Clerk read as follows:

H.R. 3463

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "SUTA Dumping Prevention Act of 2003".

SEC. 2. TRANSFER OF UNEMPLOYMENT EXPERIENCE UPON TRANSFER OR ACQUISITION OF A BUSINESS.

(a) IN GENERAL.—Section 303 of the Social Security Act (42 U.S.C. 503) is amended by adding at the end the following:

"(k)(1) For purposes of subsection (a), the unemployment compensation law of a State must provide—

"(A) that if an employer transfers its business to another employer, and both employers are (at the time of transfer) under substantially common ownership, management, or control, then the unemployment experience attributable to the transferred business shall also be transferred to (and combined with the unemployment experience attributable to) the employer to whom such business is so transferred,

"(B) that unemployment experience shall not, by virtue of the transfer of a business, be transferred to the person acquiring such business if—

"(i) such person is not otherwise an employer at the time of such acquisition, and

"(ii) the State agency finds that such person acquired the business solely or primarily for the purpose of obtaining a lower rate of contributions,

"(C) that unemployment experience shall (or shall not) be transferred in accordance with such regulations as the Secretary of Labor may prescribe to ensure that higher rates of contributions are not avoided through the transfer or acquisition of a business,

"(D) that meaningful civil and criminal penalties are imposed with respect to—

"(i) persons that knowingly violate or attempt to violate those provisions of the State law which implement subparagraph (A) or (B) or regulations under subparagraph (C), and

"(ii) persons that knowingly advise another person to violate those provisions of the State law which implement subparagraph (A) or (B) or regulations under subparagraph (C), and

"(E) for the establishment of procedures to identify the transfer or acquisition of a business for purposes of this subsection.

"(2) For purposes of this subsection—

"(A) the term 'unemployment experience', with respect to any person, refers to such person's experience with respect to unemployment or other factors bearing a direct relation to such person's unemployment risk;

"(B) the term 'employer' means an employer as defined under the State law;

"(C) the term 'business' means a trade or business (or [an identifiable and segregable] a part thereof);

"(D) the term 'contributions' has the meaning given such term by section 3306(g) of the Internal Revenue Code of 1986;

"(E) the term 'knowingly' means having actual knowledge of or acting with deliberate ignorance of or reckless disregard for the prohibition involved; and

"(F) the term 'person' has the meaning given such term by section 7701(a)(1) of the Internal Revenue Code of 1986."

(b) STUDY AND REPORTING REQUIREMENTS.—

(1) STUDY.—The Secretary of Labor shall conduct a study of the implementation of the provisions of section 303(k) of the Social Security Act (as added by subsection (a)) to assess the status and appropriateness of State actions to meet the requirements of such provisions.

(2) REPORT.—Not later than July 15, [2006] 2007, the Secretary of Labor shall submit to the Congress a report that contains the findings of the study required by paragraph (1) and recommendations for any Congressional action that the Secretary considers necessary to improve the effectiveness of section 303(k) of the Social Security Act.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall, with respect to a State, apply to certifications for payments (under section 302(a) of the Social Security Act) in rate years beginning after the end of the 26-week period beginning on the first day of the first regularly scheduled session of the State legislature beginning on or after the date of the enactment of this Act.

(d) DEFINITIONS.—For purposes of this section—

(1) the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands;

(2) the term "rate year" means the rate year as defined in the applicable State law; and

(3) the term "State law" means the unemployment compensation law of the State, approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1986.

SEC. 3. USE OF NEW HIRE INFORMATION TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.

Section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended by adding at the end the following:

"[(7)] (8) INFORMATION COMPARISONS AND DISCLOSURE TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.—

"(A) IN GENERAL.—If, for purposes of administering an unemployment compensation program under Federal or State law, a State agency responsible for the administration of such program transmits to the Secretary the names and social security account numbers of individuals, the Secretary shall disclose to such State agency information on such individuals and their employers maintained in the National Directory of New Hires, subject to this paragraph.

"(B) CONDITION ON DISCLOSURE BY THE SECRETARY.—The Secretary shall make a disclosure under subparagraph (A) only to the extent that the Secretary determines that the disclosure would not interfere with the effective operation of the program under this part.

"(C) USE AND DISCLOSURE OF INFORMATION BY STATE AGENCIES.—

"(i) IN GENERAL.—A State agency may not use or disclose information provided under this paragraph except for purposes of administering a program referred to in subparagraph (A).