

have been part of the coalition to help democracy emerge in Iraq.

Establishing democracy in Iraq was never going to be easy. Yet it is essential for the political and economic stability of the entire Middle East—and also vital for the security of our countries. We are convinced that for Iraq to become a vigorous partner in the war on terrorism, the Iraqis will need our continuous help for rebuilding their country, as well as for establishing democratic institutions and a market economy. The good news is that we are not alone; it's a truly international partnership, based on a U.N. mandate. More than 30 nations are on the ground with the coalition and NATO, and more than 80 have signed up for the "new international partnership" with Iraq. European countries work closely with the U.S. on strengthening stability and democracy in Iraq, and the U.N. is providing key support to achieve our goals.

The Visegrad Group, which includes our countries, has been one of the most effective regional partnerships in Europe established after the changes of 1989. With our vast experience in transitioning from dictatorship to democracy, we can be of special help. Although the Central European reality is quite different from Iraq, we offer our assistance in building democratic institutions as well as civil society. We can share the successes and challenges of our transition with the Iraqis, as we all know that freedom comes at a price. The experiences from the area of responsibility of the Multinational Division Central-South prove that transformation in Iraq can be completed with success. Right now we are transferring more power and responsibilities to the local Iraqi authorities, which, thanks to our assistance, are capable of securing their future.

Democratic transition is a long, painful process. It requires sacrifice. But, more than anything, it requires a belief that democratic values will prevail and people will have a better life as a result. We had that belief to guide us during the most difficult years of transition and we want to keep that belief alive in the people of Iraq. Maybe it takes countries with vivid recollections of tyranny to serve as the institutional memory of a larger community of democracies. If so, we are ready to fulfill that role.

#### SOUTH AMERICA

Mr. McCONNELL. Mr. President, earlier this month, I led a delegation to South America to review security, trade, and foreign assistance issues. Joining me were Senators MARTINEZ, BURR, and THUNE. With the exception of my friend from Florida, this was the first visit to Brazil, Argentina, and Chile for my colleagues and me. In short, this is a region full of promise—and problems.

Let me begin my remarks with a word of appreciation to the Governments of Brazil, Argentina and Chile for their excellent cooperation on security matters, including countering terrorism and narcotics. These are shared threats and pose myriad challenges, whether in the case of Brazil's massive border—particularly with Colombia and Venezuela—the notorious tri-border area—TBA—of Brazil, Argentina, and Paraguay, or vicious terrorist attacks against Israeli and Jewish interests in Buenos Aires in the 1990s. Given the unequivocal support for indigenous coca growers by Bolivia's new Presi-

dent, Evo Morales, I encourage the State Department to further strengthen cooperation on security matters with these countries in the months and years ahead.

Brazil, Argentina and Chile also deserve recognition for their participation in United Nations peacekeeping missions, particularly in Haiti. While not always popular with domestic constituencies, their respective contributions provide critical support for international efforts to secure stability in the region. Peacekeeping is not without risks, and I condemn attacks against peacekeepers in Haiti, including the recent incident in the Cite Soleil district of Port-au-Prince that killed two Jordanian nationals.

Brazil, Argentina and Chile should be recognized for their support of democracy and human rights throughout the region. While we did not see eye-to-eye on every issue, it is clear everyone is watching Bolivia and Venezuela closely. In one meeting in Brasilia, Senator MARTINEZ counseled that in determining the new agenda of President Morales, the region would be wise to "trust but verify." This is a wise maxim whether assessing coca cultivation or threats to nationalize the energy sector in Bolivia, or professed support for democracy and justice in Chavez's Venezuela.

In general, there is significant room for improvement in U.S. trade relations with Brazil and Argentina, particularly regarding intellectual property rights and demonstrable support for the free trade area of the Americas negotiation. Through meetings with business leaders in Brazil and Argentina, the delegation heard first hand many of the challenges facing the business community in both countries. President Kirchner would be wise to listen to the concerns of international companies doing business in the region regarding price controls and the harassment and intimidation of business leaders.

As one businessman familiar with Argentina's investment climate quipped, "If you want to make a small fortune in Argentina, go there with a big one." The challenge for President Kirchner is to maintain expansion of Argentina's economy by attracting investment and capital—and not aiding in its flight.

Let me close with a word or two on Chile, a country clearly committed to democracy, the rule of law and free trade. Our delegation was heartened by the views of our Chilean friends and U.S. country team that regardless of the outcome of the January 15 elections, won by Michelle Bachelet, democracy was alive and well in Chile, and that our bilateral relationship would remain strong. I am pleased our bilateral free trade agreement, FTA, with Chile has been beneficial to both U.S. and Chilean businesses, with exports boosted by an estimated 40 percent since the FTA's implementation in January 2004. Still, there is room for improvement, and I encourage contin-

ued engagement on intellectual property rights issues. Ambassador Craig Kelly and his team are doing a terrific job in Santiago, and I have every confidence that under his capable leadership relations will continue to be vibrant and strong.

Mr. President, I have shared a few, brief observations of this trip, but I hope Senator MARTINEZ,—who has much experience in this part of the world, will speak to this body on his views of the region and, in particular, the challenges to U.S. policy and business interests posed by Presidents Chavez of Venezuela, Morales of Bolivia, and Castro of Cuba. There is much going on in South America deserving of the Senate's close scrutiny.

#### HAMAS

Mr. McCONNELL. Mr. President, I wish to take a brief moment to speak to the issue of U.S. foreign assistance for the West Bank and Gaza.

Hamas's victory at the polls poses immediate challenges to the United States, the European Union, and other countries and organizations that provide humanitarian and development assistance to the Palestinian people. Perhaps frustrated with the corruption of the ruling Fatah Party, the slow pace of reforms, or, more darkly, supportive of indiscriminate violence against innocent Israeli men, women, and children through terrorist attacks on Israeli soil, Palestinians cast their ballots for an organization that supports terrorism and rejects Israel's right to exist.

In the West Bank and Gaza, Palestinians had a choice between ballots and bullets—and chose both.

As domestic and international observers appear to have deemed the election process as credible, Palestinian leadership choices are now crystal clear. But as President Bush and Secretary of State Rice have already said, the United States will not provide assistance to a foreign terrorist organization.

The ball is now in Hamas's court. Either its leadership will renounce terrorism and violence against Israel in both word and deed, recognize Israel's right to exist, and—in President Bush's words—be a "partner in peace"—or they will come to the harsh realization that governance in the territories absent foreign aid is an impossible task. In the past, American taxpayers have paid for Palestinian private sector development, health, community services, and higher education. This generous support is now in real jeopardy.

As the chairman of the State, Foreign Operations and Related Programs Subcommittee, I intend to continue to follow developments in the region closely and to work with the administration and others to determine the best and most appropriate course of action regarding the provision of U.S. foreign assistance in the wake of the Palestinian elections.