

The PRESIDING OFFICER. The Senator from Missouri.

The PRESIDING OFFICER (Mr. KYL). The Senator from New Jersey.

DEDUCTIBILITY OF HEALTH CARE PREMIUMS

Mr. BOND. Mr. President, I would like to take just a few minutes of the Senate's time to discuss an issue of great importance to the self-employed throughout the country, that of making health insurance more affordable.

Nearly 1.4 million children who live in families headed by a mother or father who is self-employed do not have health insurance. If you work for yourself, typically health insurance is very expensive for both you and your family.

Congress has an opportunity to make it more affordable for families who work for themselves by treating them fairly under the Tax Code.

Currently, large corporations can deduct 100 percent of their share of the employee's health care costs, while the self-employed farmer, child care provider, or truck driver can only deduct 40 percent. That is totally unfair.

It is time that Congress changed the law to allow the self-employed to deduct the full cost of health care premiums. Last year, we worked with Senator Kassebaum to move the deductibility up gradually to 80 percent of the premiums by the year 2006.

That is a great start. Most families cannot afford to wait until the year 2006 to get sick. We want that health care deductibility. That is part of the Home Based Business Fairness Act that is also very important in small business.

On Tuesday, Senator DURBIN and I sent a letter to the Senate Finance Committee that was signed by 53 Senators, a majority of the Senate, urging them to set aside the money to provide 100-percent health care deductibility. And we truly hope that they will.

We are confident that with this broad support we can make health insurance more affordable for the families who depend upon the earnings of a self-employed father or mother.

I thank the Chair.

EXTENSION OF MORNING BUSINESS

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the period of morning business be extended until the hour of 2 p.m. today, with Senators limited to 5 minutes each, with the following exceptions: Senator GRAHAM, 30 minutes; Senator DORGAN, 15 minutes; Senator LOTT or designee, 45 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUTCHINSON. Mr. President, I thank the Chair.

(The remarks of Mr. HUTCHINSON pertaining to the submission of Senate Concurrent Resolution 32 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. TORRICELLI addressed the Chair.

TIME TO FACE THE TRUTH ABOUT CHINA

Mr. TORRICELLI. Mr. President, almost 60 years ago, President Roosevelt, in his State of the Union Address, challenged the American people to not simply be content with our own freedom or our own economic progress but to fight for what he called, a world founded upon four essential human freedoms. He described them as the freedom of speech and expression, the freedom of every person to worship God as he sees him in his own heart, freedom from want, and freedom from fear of attack and aggression anywhere in the world.

There was a sense of immediacy to President Roosevelt's remarks. He reminds us that these were not simply distant hopes for another time, but in his words, "It is a definite basis for a kind of world attainable in our own time and generation."

The world we live in, Mr. President, is largely the fulfillment of his vision on that day. After two world wars and a long-enduring cold war, we live in a time where democratic values have become common, markets are open, the rule of law governs the many nations of the globe. From South Africa to the former Soviet Union, across Latin America, freedom—free markets and free expression—have become the common coin of the realm in our time.

But because these values are succeeding does not mean that they have met any final triumph. We have been reminded that in the fight for human freedom, there is no final victory. That is why, Mr. President, I take the floor today to remind our country and my colleagues that it is time to face the terrible truth about China. I raise this question not because China is not important but because it is central to the issue of prosperity and security in the 21st century. There will be no separate future. The free peoples of the world and those who live in China, because of its massive size, rising military power, enormous economic growth and even greater potential, the question about our own freedom and prosperity and most certainly the security of the United States and the allies and other free peoples of the world are inexplicably, inevitably tied to the fate of the Chinese people.

We have learned in the 20th century the painful lesson that nations that may obtain great economic power inevitably translate that economic power into military means, and that military power invites its own use. We have also tragically learned that those nations that rule without the consent of their own people are inherently unstable and inevitably aggressive.

These are truths we do not want to have to recognize. They are facts that I wish could be otherwise, but there is nothing in the history of our time that would lead us to any other conclusion

and nothing that can lead us to believe that China in any way will be any different.

Indeed, Mr. President, the record of the Beijing Government, for those who would promote most-favored-nation status and those who do not, for those who seek constructive engagement and those who argue against it, the record is not only remarkably clear but largely indisputable.

In recent years, the Peoples Republic of China has shown little to no regard for commitments that have been made under the Nuclear Non-Proliferation Treaty, the Missile Control Technology Regime, or the Chemical Weapons Convention. China has had a largely open policy regardless of international commitments or responsible policies of nonsignatories by selling technology of a nuclear and missile basis to Pakistan, Iran, and other governments.

In a 1992 memorandum of understanding, China vowed to prohibit the export of any product manufactured by prison labor, but it has almost certainly systematically and knowingly ignored this pledge. Indeed, the activist Harry Wu has documented labor camps where millions of Chinese prisoners, against their own will, manufactured goods for export to the United States and other countries.

In March 1996, the Beijing Government responded to the first ever free election held by a Chinese people on the island nation of Taiwan by firing missiles off the coast of Taiwan, seeking to intimidate its people and its government.

Similarly, the human rights situation within China has continued to deteriorate since the horrible results of its policies in Tiananmen Square. These 8 years later, there not only is no progress on free speech or expression, there is no free speech or expression. Even today, 300 demonstrators who survived Tiananmen Square with their lives remain in jail. Indeed, Mr. President, not a single demonstrator or organizer or individual who spoke in sympathy of the events of Tiananmen Square and was jailed in the days that followed has been released.

There is no freedom of religion. The Dalai Lama remains in exile, a prominent Catholic bishop was recently brutalized, and China has persecuted more Christians than any other nation on Earth for the single crime of worshipping their God.

There is no freedom from want. The benefits of liberalized trade and high import tariffs flow to a small, corrupt, ruling elite while 300 million Chinese live on a single dollar a day.

Finally, its neighbors live in increasing fear of attack. A China that cannot provide for its own people finds the means to build increasing military capability with new technology that it both exports at will and builds to potentially intimidate its neighbors, including the free government of Taiwan.

Mr. President, the facts that I mention today are remarkably not in dispute. Those who even now decide their

own position on free and liberalized trade with China and those who argue for or against constructive engagement will, in a matter of weeks, come to this floor to dispute not the facts, only the policy conclusion, because there are those who argue in good faith and will do so in this Chamber that regardless of these conclusions and all the evidence at hand, that if we will only put these facts aside and continue with a policy of liberalized trade, almost certainly as the day follows the night, the Chinese leadership will recognize the error of their ways, share their new prosperity with their people, allow free expression within their institutions and among the Chinese people, and in due course a new government more respectful of international commitments and of human rights will almost certainly evolve.

Mr. President, the simple truth is 8 years have passed since Tiananmen Square. Free expression is not better; it is worse. Respect for the many faiths has not been enhanced; it has deteriorated. Commitment to arms control and a more responsible policy of restricting dangerous technologies for nuclear weapons and missile technologies has not been enhanced; it is also worse.

Mr. President, we do the cause of freedom and the security of our country no benefit by postponing reaching the horrible truth. The 21st century, Mr. President, will be guided by whether or not there is progress in China in respecting her own people and being a responsible member of the international community. This relationship, more than any other in the world, will answer the critical question of whether the 21st century will be more peaceful, more respectful of humankind, and respect human life more than any other single relationship the United States will have with any other nation in the world. The facts would argue that this policy of constructive engagement is not leading us to that different future.

Last year, the United States had a \$40 billion trade deficit with China. This year, it will pass \$50 billion. Patience and understanding is not leading China to recognize their obligations as a trading partner. From piracy of copyrighted CD's, to laser discs, to pharmaceutical products, the United States is losing billions of dollars' worth of intellectual property of our own people. In trying to continue to riddle our barriers with exports, with high tariffs, quotas, licensing agreements and discriminatory practices, patience is not leading China to become a responsible trading partner any more than it is leading to respect of rights, or religion, or arms control.

Mr. President, last week in Detroit, the House minority leader, Mr. GEPHARDT, asked that we ground our policy toward China on principle and that it be consistent with other aspects of American foreign policy in our own history. He asked us to remember the words of William Allen White, who

said, "Whoever is fighting for liberty is defending America."

The questions that we face with regard to policy on China may be larger because of the enormous power and size of the Chinese nation, but they are not novel. We have faced these issues before in Rhodesia, South Africa, Eastern Europe, and the former Soviet Union. We have found that trade sanctions—and in its most modest form, the denial of preferred trade status—is not only a legitimate but an effective means of promoting human rights and changing national policies. Jackson-Vanik was a remarkable success in leading the Soviet Union to change its immigration policy toward Jews and dissidents by withholding trade preference. Apartheid in South Africa was met by a denial of a policy of constructive engagement by simply refusing to allow our markets to be open until South Africa abandoned apartheid, and it succeeded. Those policies worked in the past.

Today, we impose much stricter policies toward Cuba, Libya, Iraq, Iran, and North Korea—in many instances, for the same violations of arms control agreements, irresponsible sharing of dangerous technologies, violations of human rights, of religion and speech, for the very same instances that I take this floor today to cite in the case of China and which, ironically, will be ceded by proponents of most-favored-nation status for China, we have a policy of denying trade preference. For China, we seek to see a different conclusion, while we cede the same facts.

Mr. President, I argue, however, for more than consistency. I argue that because China has violated these critical rights of her own people, because her Government continues without the consent of the governed and therefore is inherently unstable and potentially dangerous, because these rights have been violated, trade agreements with the United States have been ignored, because dangerous technologies are being shared with the world despite commitments to the contrary, China should not be the exception, she should be the rule. Withholding these trade preferences are not less important because of China's size and power. They are more important.

Mr. President, regardless of our party, our philosophy, or our ideology, I know no Member of the Senate wants anything but friendship with the Chinese people. They have a rich culture, a great history, and in their hands, perhaps more than those of any other people on Earth, lies the question of peace, freedom, and prosperity for the many peoples of the globe.

Mr. President, as President Roosevelt concluded in his State of the Union Address 60 years ago, he reminded us that we needed to be governed by reality and not hope. He concluded, Mr. President, by saying:

No realistic American can expect from a dictator's peace international generosity, or return of true independence, or world disarmament, or freedom of expression, or free-

dom of religion—or even good business. Such a peace would bring no security for us or our neighbors.

Mr. President, so be it. The world turns, generations succeed generations, but some truth remains eternal. The wisdom that Roosevelt brought to that dark day facing the authoritarianism of the Third Reich and of fascism, facing the prospect of a cold war he may not have been able to predict, but whose dimensions were beginning to become clear, the wisdom of that day can govern us as well. It is time to face the truth about China.

I know every Member of this Senate wishes they had a chance to revisit in history the gulag, the concentration camps, all the blindness that we brought, the terrible problems of fascism and communism. We all wish that we could have seen the world as clearly as Roosevelt saw it on that day. We didn't all have his wisdom. We could not have all seen the future as clearly.

Mr. President, there is no changing history, but there is still time for the 21st century. I rise today, Mr. President, to ask my colleagues to see China as it is, not as we would have it be. Someday, we will be accountable to the Chinese people themselves, and they will ask: Did you stand with us while we sought to worship our God? Did you defend us when we wanted to speak to our own future? Did you stand with us when we sought to choose our own government? Or, as you did in Iran, as you did often in the cases of communism, as you did in the early years of fascism, did you pretend to see the world as you would have it rather than the facts as they were presented to you? Were you part of change? Did you challenge our leaders? Did you put a price on their oppression? Or did you conspire with them in silence?

Mr. President, that is the choice before us. It is not new. It has faced every generation that has ever stood on the floor of this Senate, every generation that ever succeeded the governance of this country. In a few weeks, when most-favored-nation status becomes an issue on the floor of this Senate, it will come again. I urge my colleagues to confront it with wisdom and reality, recognizing the extraordinary consequences for a new time and a new century, which we so desperately want to be different than the past.

Thank you, Mr. President. I yield the floor.

PRIVILEGE OF THE FLOOR

Mr. GRAHAM. Mr. President, I ask unanimous consent that Delia Lasanta, John Stone, and Hassan Tyler be admitted to the floor for the duration of my speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Florida [Mr. GRAHAM] is recognized.