following month even if the increased profits that you are hoping for, the increased revenues that you are hoping for are not there in the following month.

Last night, we cut the overhead in ways that are predictable. When we raise taxes we are doing the same thing a business does when it raises prices and then hopes that the customers will not react negatively, hopes that it can raise prices and still continue to sell the same number of units it sold before the price increase. We in the Federal Government have a miserable track record of projecting how those price increases are going to work.

I will give you two quick examples. Back as a result of the 1990 budget summit, we raised prices—''we,'' the Government—raised prices on two items, luxury boats and luxury cars. We projected that we would get more revenue out of both of these. To show what wonderful forecasters we are, on the luxury boat side, we took an industry that had over capacity, that desperately needed a price cut to survive, and mandated a price increase that destroyed the industry, caused massive layoffs and huge unemployment compensation bills. We missed that forecast terribly.

But before we say, ''Oh, is that not awful that we missed that forecast,'' let us look at the forecast for the price increase on luxury cars. We missed that one just as bad, Madam President. But fortunately, for the Treasury, we missed that one on the other side. The revenue that came in from the increase in tax on luxury cars was three times what we forecast it would be.

What is the lesson to be drawn from that? To me, it is very simple; it is that the Federal Government, regardless of how much we have invested in computers and economists and experts, does a lousy job of forecasting what will happen as a result of its changes in tax policy. But we can do a better job of forecasting what will happen as a result of changes in spending policy.

So I think the lesson that comes out of last night's action and our examination of the contrast between this year and 2 years ago is this: We can get our fiscal affairs under control. We can cut through all of the rhetoric and the crying wolf and the horror stories and produce bipartisan support for spending cuts. Let us put the primary emphasis, like good business people would, on controlling the spending rather than crossing our fingers and hoping for the increased sales.

If we do that, we are on the right course. And I, for one, take great comfort out of what happened here last evening and hope it will be the harbinger for many more headlines that say that the Senate votes unanimously for substantial spending cuts.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Chair, in her capacity as a Senator from Texas, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that I be allowed to speak for up to 15 minutes in morning business.

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

PROMISES KEPT

Mrs. HUTCHISON. Mr. President, I think it is a phenomenal thing that happened in America. In the last 3 months, the people asked for something different. And in the last 3 months, we have done exactly what the people asked.

If you ask a person to bring down to one or two words what the last 3 months mean, I would say ''promises kept.'' I think the people of America were despairing that ever again, a politician would promise something and deliver.

That is what is happening right now in the Congress of the United States. I commend the House of Representatives for giving themselves a very heavy load and then succeeding in doing what they said they would do.

There are those who disagree with what the House did. Probably no one agrees totally with what the House did. But if you look at the spirit and the intent and the strain of what they did, I think the people of America agree that they did what they said they were going to do, and I think the Senate of the United States will agree with many of the concepts that the House has put forward.

If we are going to let the people of this country know that in fact their voices did make a difference in 1994, that the signal was received in Washington, DC, that the people want a different Congress and a different Government, then I think we are going to have to continue into the second and third 100 days going in the same direction that we are now going.

What does that mean? First and foremost, Mr. President, it is what you just talked about on the floor of the Senate a minute ago, a balanced budget. First and foremost, we have to start showing that we are serious about balancing the budget. Last night, we started on that road. We took some very serious and tough steps right in this 1995 budget, and we cut almost $16 billion that will not be able to be spent between now and October 1 of this year.

So that is a beginning. It is a very small beginning when you look at what we really must do. We must get on a track that says between now and the year 2002 we are going to go toward a balanced budget, that the $5 trillion debt that is sitting out there will not be increased but in fact we will start whittling away at the deficit so that in the year 2002 we can start looking at the long-term solutions to bringing down the actual debt.

A lot of people do not realize that when we get to the balanced budget in 2002, we still have the massive debt that we have to decide exactly how much of which we are going to pay down. But that is for the second phase. The first phase is to come to a balanced budget every year, and that is our first commitment.

The second commitment is a reform of Congress. If we are going to look at the long term, if we are going to look at the future, we are going to have to look at the reforms of Congress that will keep from happening what we have seen over the last 30 years, which is a buildup of this massive intrusion of the Federal Government on our States, on our local governments, and on the lives of our people, especially our small business people. If we are going to do that, it is going to be not only bringing down the bigness and vastness of Government, not only bringing down the arrogance of Washington, DC, but it is bringing down the power base of Congress.

I think the most important first step that was made by the House of Representatives was on the first day—hardly any press about it, but the reform of their leadership when they voluntarily voted themselves term limitations on chairmanships and the Speaker of the House himself. That began the process of bringing down the vast power that has accumulated in these Halls and really caused the massive increases in spending in the Federal bureaucracy. So when the Speaker says voluntarily I am not going to serve more than 8 years, and when committee chairs say I am not going to serve more than 6 years, you have really taken away a lot of the incentive to do things that build power bases and instead have given the incentive to do what is right from the public policy standpoint.

The Senate is now looking at just such changes, and I think it is going to be healthy for us to also in this body look at ways that we can pass the leadership around. It is a very important reform. It is internal. It will not be that well known outside the beltway. But it is a very important internal reform that will have far-reaching consequences.

The third area that I think is most important to get our country back on track is regulatory reform. If we are going to free our businesses to compete in this new global marketplace, we must have the harassment of Federal regulatory excesses stopped now. Stop right now. By every standard, the cost of complying with Federal regulations is holding down our small business and our large business from growing and expanding and creating the new jobs that will get this economy going again.

By conservative estimates, they say that business costs of regulatory compliance are about $430 billion a year. If you add the cost of regulatory compliance of States and local governments, it is about $900 billion a year.

To put that in perspective, Mr. President, the income tax brings in just under $800 billion a year. So as you are getting ready on April 15 to send your tax bill in, when you sign that tax bill, you should remember that what you are giving to the Federal Government is less than the stealth tax of regulatory compliance. That is the cost that is holding our business down, from growing and creating the new jobs. So if we are going to free our business to compete, we must take off those regulatory excesses.

Does that mean we are going to stop striving for clean air, clean water, protection of endangered species, safety in the workplace? Heavens no. Of course, not. What we must put in the equation is common sense. We are getting horror stories every day about some silly, stupid thing a regulator does that is unnecessary, that does not help the Government and most certainly hurts business. And it is the business that is the economic engine of America. So if we can stop that regulatory excess, that will be the most important thing we can do to get this economy going once again.

So these are the areas that I think we must address in the second 100 days. These are the areas that I think are going to be very difficult as we go forward. I have heard Democrats in the Chamber here, I have heard Democrats on radio programs talk about starving the children. The people of America are smarter than that. The people of America understand that we are not starving children when we give the States the responsibility for school lunch programs instead of running it from the Federal Government. The people of America are tired of silly, ridiculous statements like that that underestimate their intelligence, because I think the people of America who are raising our children understand that if our children are going to have a future at all, it is only if we begin to act responsibly in getting this huge Federal debt off the backs of those very children.

If they are going to have jobs in their future, if they are going to have education in their future, it is going to be only if we get this economy going again. We cannot do it if we have a program of spend now and pay later. That is what our program has been for the last 30 years in this country, save 1 or 2 years of responsibility.

Mr. President, I think the people of America need to listen very carefully. As we are going home for the next 2 weeks in the Senate, 3 weeks in the House, I hope that the people of America will listen carefully to what their elected representatives are saying because the messages could not be more different. Our message is one of providing for the future, of trying to make sure that there is a healthy America for our children, of trying to get the 10th amendment back in place, which says the powers not specifically given to the Federal Government will be left to the States and to the people. We must return the 10th amendment and we must let the States do what they know best, which is the needs of their people, rather than somebody in Washington sitting in an office who may not have ever been to Iowa or New Hampshire or Texas or California or Utah deciding what the priorities in that State should be.

My Governor, a Yale graduate, said, ''You know, I'm beginning to be a little offended by those people up in Washington. Do they think I'm going to serve potato chips to the children of Texas? Come on. I think the people are smarter than that.''

So, Mr. President, I think we have had a very exciting beginning. I think the people of America can say one thing right now and that is: things are changing in Washington. Their voices are being heard.

Is it easy? No. It is going to be very tough. But is it a commitment on our part to do what is right, not necessarily for tomorrow but for the long-term, for 3 years, for 5 years, for 10 years? That is the commitment that the people of America must see and that is what we must talk about as we go home and get the input from our constituents.

I hope that every one of us will take this opportunity to do that, because I think we have had a great beginning. I think the people of America should be assured that things are changing inside the beltway. And, with their support, we are going to keep right on plugging and try to make sure that the small business people of this country are able to grow and create the jobs that will let every American family see a better future for their children.

Thank you, Mr. President.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. CRAIG assumed the chair).

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

POLICY PROLONGS BOSNIAN HERZEGOVINA WAR

Mr. DOLE. Mr. President, this week marks the third anniversary of the war against Bosnia and Herzegovina. It also marks the third anniversary of the international community's failure in Bosnia—a failure the United States, under both the Bush and Clinton administrations, has participated in.

The biggest mistake made by world leaders was extending, in practice, the arms embargo on the former Yugoslavia to the Government of Bosnia and Herzegovina—which is an internationally recognized state and member of the United Nations. In addition to violating Bosnia's fundamental right of self-defense—a right which is recognized in article 51 of the U.N. Charter—this policy has had the effect of prolonging the war. It has prolonged the war by ensuring that the Serbs maintain such a superiority in weapons that they are not compelled to sign any deal—even one which rewards them with half of Bosnia as envisioned by the so-called contact group.

Now, the administration says that this European-designed policy has managed to contain the war and prevented further humanitarian disasters. We should not rush to pat ourselves on the back for our great humanitarianism until we look at the facts.

The facts are that over 200,000 people have been killed over the past 3 years, 17,000 of them children. Hundreds of thousands of civilians have been expelled from their homes because of their ethnicity and religion. Concentration camps, rape, and mass graves have become the tolls of ethnic cleansing—which is just another word for genocide. Homes, churches, and monuments have been reduced to rubble. Putting aside the human factor, from an international legal perspective, the world has watched as a U.N. member state has been attacked and occupied. And, now international leaders want to reward those attackers and occupiers, ostensibly in the pursuit of peace.

Yes, we must give credit to those brave aid workers and U.N. soldiers who have sacrificed and risked their lives to bring food and medicine to those in need. The policy is not their fault; they do not make policy—policymakers in Washington and European capitals do. Nevertheless, we should not fool ourselves, feeding people who are trapped in U.N. safe havens that are anything but safe, while denying them the means to defend themselves is bad policy.

Yesterday, the Bosnian Prime Minister said in an interview that the Bosnians should prepare for a decade of war. It may sound pessimistic to some, but in my view it's pretty realistic if the present policy continues. Why should Bosnian Serb leaders agree to a settlement? Why should Bosnian Serb forces give up any of the 70 percent of the territory they occupy? Because U.N. forces on the ground? Because of NATO planes that fly overhead but do not bomb?

It is clear that the international community does not have the will to live up to its commitment to protect the Bosnians, so why can't we allow them to protect themselves? The present policy of keeping the U.N. forces in Bosnia indefinitely amounts to occupation. UNPROFOR should be withdrawn and the arms embargo should be lifted. That is the only policy