

the aisle. This plan does not make a recommendation for new cuts in Medicare benefits for any beneficiary.

Secondly, the only change we are making in Social Security is one that has already been publicized. The plan does ask older Americans with higher incomes who do not rely solely on Social Security to get by to contribute more. This plan will not affect the 80 percent of Social Security recipients who do not pay taxes on Social Security now. Those who do not pay tax on Social Security now will not be affected by this plan.

Our plan does include a broad-based tax on energy. And I want to tell you why I selected this and why I think it is a good idea. I recommend that we adopt a BTU tax on the heat content of energy as the best way to provide us with revenue to lower the deficit, because it also combats pollution, promotes energy efficiency, promotes the independence economically of this country, as well as helping to reduce the debt, and because it does not discriminate against any area. Unlike a carbon tax, it is not too hard on the coal States. Unlike a gas tax, it is not too tough on people who drive a long way to work. Unlike an ad valorem tax, it doesn't increase just when the price of an energy source goes up. And it is environmentally responsible. It will help us in the future, as well as in the present, with the deficit.

Taken together, these measures will cost an American family with an income of about \$40,000 a year less than \$17 a month. It will cost American families with incomes under \$30,000 nothing because of other programs we propose, principally those raising the earned income tax credit.

Because of our publicly stated determination to reduce the deficit, if we do these things we will see the continuation of what has happened just since the election. Just since the election, since the Secretary of the Treasury, the Director of the Office of Management and Budget, and others have begun to speak out publicly in favor of a tough deficit-reduction plan, interest rates have continued to fall long-term. That means that, for the middle class who will pay something more each month, if they have any credit needs or demands, their increased energy costs will be more than offset by lower interests costs for mortgages, consumer loans, and credit cards. This can be a wise investment for them and their country now.

I would also point out what the American people already know, and that is because we are a big vast country, where we drive long distances, we have maintained far lower burdens on energy than any other advanced country. We will still have far lower burdens on energy than any other advanced country, and these will be spread fairly, with real attempts to make sure that no cost is imposed on families with income under \$30,000, and that the costs are very modest until

you get into the higher income groups where the income taxes trigger in.

Now I ask all of you to consider this. Whatever you think of the tax program, whatever you think of the spending cuts, consider the cost of not changing. Remember the numbers that you all know. If we just keep on doing what we are doing, by the end of the decade we will have a \$650 billion a year deficit. If we just keep on doing what we are doing, by the end of the decade 20 percent of our national income will go to health care every year, twice as much as any other country on the face of the globe. If we just keep on doing what we are doing, over 20 cents on the dollar will have to go to service the debt.

Unless we have the courage now to start building our future and stop borrowing from it, we are condemning ourselves to years of stagnation, interrupted by occasional recessions; to slow growth in jobs, to no more growth in incomes, to more debt, to more disappointment.

Worse yet, unless we change, unless we increase investment and reduce the debt, to raise productivity so that we can generate both jobs and incomes, we will be condemning our children and our children's children to a lesser life than we enjoyed.

Once Americans looked forward to doubling their living standards every 25 years. At present productivity rates, it will take 100 years to double living standards, until our grandchildren's grandchildren are born. I say that is too long to wait.

Tonight the American people know we have to change. But they are also likely to ask me tomorrow, and all of you for the weeks and months ahead, whether we have the fortitude to make the changes happen in the right way.

They know that as soon as I leave this Chamber and you go home, various interest groups will be out in force lobbying against this or that piece of this plan, and that the forces of conventional wisdom will offer 1,000 reasons why we well ought to do this, but we just can't do it. Our people will be watching and wondering, not to see whether you disagree with me on a particular issue, but just to see whether this is going to be business as usual, or a real new day. Whether we are all going to conduct ourselves as if we know we are working for them.

We must scale the walls of the people's skepticism. Not with our words, but with our deeds. After so many years of gridlock and indecision, after so many hopeful beginnings and so few promising results, the American people are going to be harsh in their judgments of all of us if we fail to seize this moment.

This economic plan can't please everybody. If the package is picked apart, there will be something that will anger each of us. It won't please anybody. But if it is taken as a whole, it will help all of us.

So I ask you all to begin by resisting the temptation to focus only on a par-

ticular spending cut you don't like or some particular investment that wasn't made. And nobody likes the tax increases. But let's just face facts: For 20 years, through administrations of both parties, incomes have stalled and debt has exploded and productivity has not grown as it should. We cannot deny the reality of our condition. We have got to play the hand we were dealt and play it as best we can.

My fellow Americans, the test of this plan cannot be what is in it for me. It has got to be what is in it for us.

If we work hard, and if we work together, if we rededicate ourselves to creating jobs, to rewarding work, to strengthening our families, to reinventing our Government, we can lift our country's fortunes again.

Tonight I ask everyone in this Chamber, every American, to look simply into your own heart, to spark your own hopes, to fire your own imagination. There is so much good, so much possibility, so much excitement in this country now, that if we act boldly and honestly, as leaders should, our legacy will be one of prosperity and progress. This must be America's new direction. Let us summon the courage to seize it.

Thank you. God bless America.

At 10 o'clock and 13 minutes p.m., the President of the United States retired from the Hall of the House, followed by his Cabinet.

The Chief Justice of the United States and Associate Justices of the Supreme Court retired from the Hall of the House.

The ambassadors, ministers and charges d'affaires of foreign governments retired from the Hall of the House.

The SPEAKER pro tempore, Mr. MONTGOMERY, at 10 o'clock and 16 minutes p.m., then declared the joint session of the two Houses dissolved.

The Vice President and Members of the Senate retired from the Hall of the House.

¶12.12 REFERENCE OF THE PRESIDENT'S COMMUNICATION

On motion of Mr. GEPHARDT, the communication of the President, as delivered, was referred to the Committee of the Whole House on the state of the Union and ordered to be printed (H. Doc. 103-1).

¶12.13 LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted—

To Mrs. LLOYD, for today and the balance of the week;

To Mr. DOOLITTLE, after 4:30 p.m. today; and

To Mr. MCDADE, for February 16, 17, and 18.

And then,

¶12.14 ADJOURNMENT

On motion of Mr. GEPHARDT, at 10 o'clock and 17 minutes p.m., the House adjourned.

¶12.15 PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolu-