



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

June 23, 2004
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 3973 - Spending Control Act of 2004

(Rep. Nussle (R) IA)

The Administration strongly supports H.R. 3973, as reported by the House Budget Committee. On April 2, 2004, the Administration transmitted to Congress proposed legislation that would create a comprehensive set of binding controls on spending. Consistent with the Administration's proposal, H.R. 3973, which we understand will be considered on the Floor later this week, would set caps on discretionary spending and would establish a pay-as-you-go requirement to restrain the growth in mandatory spending.

While the immediate priority is to establish spending controls as contained in H.R. 3973, the Administration also has proposed and supports a number of other budget process reforms.

H.R. 3973 properly focuses its budget enforcement mechanisms on controlling spending and not on increasing taxes on America's workers and families. By restraining the growth in Federal spending and pursuing pro-growth economic policies, we can achieve the President's goal of cutting the deficit in half within five years.

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