

THE BUDGET MESSAGE OF THE PRESIDENT

TO THE CONGRESS OF THE UNITED STATES:

At *www.budget.gov*, Americans will find the budget of the Federal Government for Fiscal Year 2009. Two key principles guided the development of my Budget—keeping America safe and ensuring our continued prosperity.

As we enter this New Year, our economy retains a solid foundation despite some challenges, revenues have reached record levels, and we have reduced the Federal deficit by \$250 billion since 2004. Thanks to the hard work of the American people and spending discipline in Washington, we are now on a path to balance the budget by 2012. Our formula for achieving a balanced budget is simple: create the conditions for economic growth, keep taxes low, and spend taxpayer dollars wisely or not at all.

As Commander in Chief, my highest priority is the security of the American people. So my Budget invests substantial resources to protect the United States from those who would do us harm. Continuing our Nation's efforts to combat terrorism around the globe, my Budget provides our men and women in uniform the tools they need to succeed in Afghanistan and Iraq, and it furnishes the resources needed for our civilians to help those nations achieve economic and political stabilization. My Budget also strengthens our overseas diplomatic capabilities and development efforts, advances our political and economic interests abroad, and improves the lives of people around the world.

Here at home, we are blessed to live in a country that rewards hard work and innovation. In our flexible and dynamic economy, people can pursue their dreams, turn ideas into enterprises, and provide for their families.

As we look back over the past 7 years, we see the economy has successfully responded to substantial challenges, including a recession, terrorist attacks, corporate scandals, wars, and devastating natural disasters. It is a measure of our economy's resilience and the effectiveness of pro-growth policies that our economy has absorbed these shocks, grown for 6 straight years, and had the longest period of uninterrupted job growth on record. Yet mixed indicators confirm that economic growth cannot be taken for granted. To insure against the risk of an economic downturn, I will work with the Congress to pass a growth plan that will provide immediate, meaningful, and temporary help to our economy.

Americans have real concerns about their ability to afford healthcare coverage, pay rising energy bills, and meet monthly mortgage payments. They expect their elected leaders in Washington to address these pressures on our economy. So my Budget puts forth proposals to make health care more affordable and accessible, reduce our dependence on oil, and help Americans struggling to keep their homes.

Above all, my Budget continues the pro-growth policies that have helped promote innovation and entrepreneurship. I will not jeopardize our country's continued prosperity with a tax increase. Higher taxes would only lead to more wasteful spending in Washington—putting at risk both economic growth and a balanced budget.

As we work to keep taxes low, we must do more to restrain spending. My Budget proposes to keep non-security discretionary spending growth below 1 percent for 2009 and then hold it at that level for the next 4 years. It also cuts spending on projects that are not achieving results—because good intentions alone do not justify a program that is not working.

One of the best ways to reduce waste and increase accountability is to make Federal spending more transparent. To help Americans see where their money is being spent, we have launched a website called *www.USAspending.gov*, and to help Americans see the kind of results they are getting for their money, we launched *www.ExpectMore.gov*. I invite all Americans to log on and find out for themselves how their hard-earned tax dollars are being spent.

Billions of those tax dollars go to something called earmarks. Earmarks are special-interest items that are slipped into big spending bills or committee reports, often at the last hour, without discussion or debate. Last January, I asked the Congress to reform earmarks, and lawmakers took some modest steps in that direction. But they failed to end the practice of concealing earmarks in report language—and they continued to fund thousands of them. So I will take steps to advance earmark reform. I also call on the Congress to adopt the legislative line-item veto, which gives the legislative and executive branches a tool to help eliminate wasteful spending. Common-sense reform will help prevent billions of taxpayers' dollars from being spent on unnecessary and unjustified projects.

As we take these steps to address discretionary spending, we also need to confront the biggest challenge to the Federal budget: the unsustainable growth in entitlement spending. Many Americans depend on programs like Social Security, Medicare, and Medicaid, and we have an obligation to make sure they are sound for our children and grandchildren. If we do not address this challenge, we will leave our children three bad options: huge tax increases, huge deficits, or huge cuts in benefits. The longer we put off the problem, the more difficult, unfair, and expensive a solution becomes.

My Budget works to slow the rate of growth of these programs in the short term, which will save \$208 billion over 5 years. This step alone would reduce Medicare's 75-year unfunded obligation by nearly one-third. My Administration cannot solve this problem alone, though. We need a commitment from the Congress to reform and improve these vital programs so they can serve future generations of Americans.

In my 2009 Budget, I have set clear priorities that will help us meet our Nation's most pressing needs while addressing the long-term challenges ahead. With pro-growth policies and spending discipline, we will balance the budget in 2012, keep the tax burden low, and provide for our national security. And that will help make our country safer and more prosperous.

GEORGE W. BUSH

THE WHITE HOUSE,

February 4, 2008.