

SECURING AMERICA'S FUTURE

The war against terrorism is a war unlike any other in American history. It is a war that must be fought at home as well as abroad, a war waged on the financial, diplomatic, and intelligence fronts as much as on the battlefield. We did not choose this war—but we will not shrink from it. And we will mobilize all the necessary resources of our society to fight and to win.

Fortunately, our resources are great. Yet the challenge before us is great, as well. The terrorists threaten us not with mighty armies or fleets, but with unpredictable attacks on our civilian population and critical infrastructure. Therefore, we must protect our nation by defending our homeland against new dangers from new sources. We will win the war at home and abroad by destroying terrorist organizations and discrediting their ideology of terror.

Our new war will be costly. Some of those costs will not show up on the government's books. Terrorism has already inflicted considerable losses on the private economy, and now entrepreneurs and employers will have to shoulder the expense of still-tighter security at points of vulnerability. These are real and heavy burdens for our society. The Administration's tax reductions adopted by the Congress in the spring of 2001 will help lighten the load—but more compensatory tax relief will be needed if our economy is to grow as rapidly as it could.

Government, too, will have new bills to pay. Since the end of the Cold War, defense has been a dwindling priority in our national budget. By the end of the 1990s, the United States was spending less of its national income on defense than at any time since the attack on Pearl Harbor. That will have to change—and the 2003 Budget reflects the new reality. Future budgets will need to do likewise.

We have new duties, and we will be judged by how we meet them. We are at war, and we must pay the price to fight a war.

President Bush has called the war against terrorism a “new kind of war.” The lessons of history are clear, and we are not immune to old mistakes. In the mid-1960s, the United States government refused to adjust its spending to account for the costs of the war in Vietnam. It insisted on having both “guns and butter” and got instead inflation that lasted through almost two decades and contributed to four recessions, including two of the most severe in modern times.

President Franklin Roosevelt made wiser choices during World War II. As war approached, he husbanded the resources of the nation—and concentrated them upon the nation's supreme priority: victory. In fact, President Roosevelt's 1944 Budget noted that expenditures not related to the war effort were reduced by more than 20 percent between 1939 and 1942.

President Roosevelt's vision preserved freedom, and prepared the way for almost a quarter-century of robust economic growth in the United States and throughout the world. We can show ourselves worthy of that accomplishment by following that example.